





AMERICAN NEWS



Youths passing the Watts Towers in Los Angeles flash a gang sign. Gangs selling crack - cocaine mixed with water and baking soda - are co-operating to boost sales, the US Drug Enforcement Administration says in its report Crack Cocaine: Overview 1989.

Peace, love and the selling fields

Jamie Buchan visits the Woodstock festival town 20 years on

A MILE west of Bethel, a shabby Jewish resort town in upstate New York, a lane called Hurd Road turns off and runs away through fields and wood-holes to the north. On the left of it are the silos and red barns of a dairy farm, where Max Yasgur kept the biggest dairy herd in Sullivan County till the old guy died in 1973 and the farm was sub-divided and the widow moved to Florida.

Carrying on, you crest a rise and see the place at last and it is instantly familiar: a patchwork of fields, with the hay already cut, running down towards a wooded hollow, with a small pond just visible through the trees.

Al Fimognari, who was 14 when the Woodstock festival began here 20 years ago today, points out things as they were: the big sound stage, the Freak Tent, the medical trailer, the place where the Hog Farmers were, the Filippini Pond where everybody bathed without clothes on. The state police said at the time there were 450,000 people at the concert. "There was nowhere here where there wasn't people," Al says.

Next to Hurd Road, somebody is selling peace head-bands. From makeshift blue tarpaulin tents, the music of 20 years ago comes tinnily from tape players, all mixed up together. Coming to Los Angeles, the Fish Cheer, Jimi Hendrix's Star-Spangled Banner. Anybody who looks old enough is telling tall tales to foreign television crews. "I told Jamie: You're going to die if you going on doing that stuff." - that

sort of thing. Young people from the suburbs step gingerly through the garbage in their shopping-mall pastels. Police officers leer at young women. Lots of people are drunk.

Nobody here, or in the newspapers or on television, is sure quite what this gathering of half-a-million people on a wet weekend 20 years ago really meant. Some people say it was just a show of demographic strength by the baby boom, meaningless

Burt Feldman, aged 66, who is town historian of Bethel, says: "Over on Filippini Pond, there was a two-story shed for people to hire out rowboats, run by this old guy - Ben Leon was his name, 92 or 93 he was. I was responsible for making sure the kids put some clothes back on."

"I was coming back along the path, and I heard this terrible cackling noise. It was coming from the top of the boat house: Hee-Hee-HEE-ow, haw-haw-hawEE. He was up there, the old fool, with a pair of great big binoculars, look like they came from the Navy."

"The funny thing was, 10 or so days later, old Ben dropped dead. I spoke to the funeral man and he said, when we tried to fix him up, whatever we did we couldn't get the smile off his face."

Mr Fimognari, who is now 34, is sitting on the hood of his truck, with a Budweiser beer in his hand, drinking it slow. He has the authentic look of the late 1960s: not smug, exactly, but as if he has seen something strange and interesting that he'll tell you about, but only if you ask.

He says: "I'm been coming up here ever since, maybe to play frisbee or just to think. What people today don't know is that it wasn't just music. People were always passing things to me, food or drink or maybe a joint. It made me a better person, I think, though not a richer one."

"Look at these people here, selling things. They could do it again, just as we did it, if they wanted to. But maybe they don't want to."

**'There was nowhere here where there wasn't people'**

except as a commercial opportunity. Others say the concert showed much of American youth simply was not prepared to fight the Vietnam war. The war was lost in the fields of Sullivan County.

In America, the past recedes at a rate faster than anywhere else. Twenty years on, the "Woodstock Nation" and its ideals of non-violence and non-competition seem utterly implausible. Genuine empty milk bottles from Yasgur Farms sell for \$25 in local antique shops. The sloping hay-fields might be those of the civil war battlefields of Shiloh or Gettysburg.

Like a battle, the festival was more important to many people than anything later in their lives. Not all were young. Mr

Darman brings interest rate debate into the open

By Peter Riddell, US Editor, in Washington

THE WARNING at the weekend by Mr Richard Darman, US Budget Director, that the Federal Reserve Board has been too cautious over its interest rate policy, not only made public the simmering private tensions between the Bush administration and the Fed but also indirectly highlighted divisions within the central bank.

Mr Darman's timing and wording are significant. His remarks have come a week before a meeting of the Fed's policy-making open markets committee (FOMC).

They were aimed not just at its members as a whole but, more particularly, at the regional bank presidents who have been more concerned about inflationary pressures than recession, and hence reluctant to approve lower interest rates.

Referring to the need for sensible management, Mr Darman said: "It's important not merely that chairman [of the Fed Mr Alan] Greenspan, but that other members of the board and the FOMC, that make the crucial decisions on this, that they be more attentive to the need to avoid tipping this economy into recession."

In recent weeks, it seemed that differences between the administration and the Fed had been narrowing - the White House said yesterday that President George Bush believed the Fed was doing "a good job" keeping growth going with low inflation.

After all, the Fed has authorised a series of cuts in interest rates - following several months - of administration nudging - and the mid-year forecasts last

month showed signs of a convergence of their views about the US economic outlook.

However, as Mr Michael Boskin, chairman of the president's Council of Economic Advisers, made clear three weeks ago, while praising the Fed's handling of interest rates, there are differences of emphasis. He argued then, in typically diplomatic language: "If the economy started to slow more than it has in the first half of this year, the Fed would move to head off a recession. We assume from their public statements that they would do that."

Mr Darman is essentially presenting a blunter version of the same message: "Don't be too cautious." He said it was "quite important that the Fed appreciate that growth is

fundamental to the health of this economy, and that they not become obsessed with concern about things going well for too long."

The balance between slowdown and recession is very narrow. In practical terms, the administration believes that economic growth of about 2.5 per cent next year, and 3 per cent thereafter, is consistent with a stable inflation rate; the Fed argues that a slowdown to well below 2 per cent is necessary and "probably inevitable".

All this may seem to be fine tuning of policy taken to extremes. Even so, as Mr Darman is fully aware, there are big implications in such small variations in the federal deficit. Not only could the one-point difference between the administration and the Fed over the expected growth rate

for next year be equivalent to between \$15bn and \$20bn on the deficit - an even more marked deceleration could add a further \$10bn.

There are recession loopholes in the application of the Gramm-Rudman deficit reduction law, but such additions to the deficit would substantially worsen the administration's existing tax and spending problems with Congress.

Until now, the administration has generally preferred behind-the-scenes nudges for fear of antagonising the more independent-minded of the regional presidents. Mr Darman's message is clearly aimed in their direction, as much as at Mr Greenspan, and at administration allies such as Mr Manuel Johnson, Fed vice-chairman, and Mr Wayne Angell, another

Washington-based governor of the Fed.

Indeed, to some extent, Mr Darman's words may have been aimed at strengthening the hand of the Greenspan group in the FOMC.

But Mr Darman's remarks have also been seen as a calculated political manoeuvre to shift the blame for any recession away from the administration, particularly with a mid-term Congressional election 15 months away.

He said: "If we do have a recession, I think it will be because they [the Fed] erred on the side of caution."

If the Fed still believes it has room for manoeuvre economically, the administration does not politically. As the latest Washington joke goes, this needs not just a soft landing, but a perfect landing.

Peruvian miners start strike on schedule

THE PERUVIAN Miners' Federation began an indefinite, national strike yesterday morning as planned, Reuter reports from Lima.

"Miners have stopped working as of their first shift this morning," Mr Celso Cajachagua of the 70,000-member union told a Lima radio station yesterday morning. He had no early word on how widely the strike was being observed.

Mining company executives said they expected light to moderate support for the strike in its first days but that the impact could spread if the strike went on for weeks.

The walk-out affected output at the Toquepala and Cuzne copper mines, though it was unclear by how much, said Southern Peru Copper, the mines' owner, yesterday. Southern's refinery at Ilo

appeared to be working normally, a spokesman said.

The miners' demands are much the same as those of last year - wider collective bargaining rights and better wages and benefits.

Production of copper at Mexico's Cananea mine, one of the richest in the world, could be stopped by a strike due to start on August 27 if the management does not meet workers' demands for a 60 per cent wage rise, Richard Johns reports from Mexico City.

Nafinsa, the state development bank which owns 99.5 per cent of the parastatal Cananea company, is reported concerned about deadlock in negotiations on a new labour contract, which began in May.

The Mexican miners' union is pressing for a wage rise four times the average allowed by the present administration.



**A BANK'S STRENGTH HAS MORE TO DO WITH IDEAS THAN WITH MONEY.**

The ABN ranks among the top international banks. A position we have not reached by aiming at incidental financial successes.

Because a healthy, lasting relationship can simply never be based solely on offering slightly cheaper loans.

Our prime concern is to understand the client's situation. By being more than just a financial partner, the ABN is able to offer surprising financial solutions, even in dif-

icult situations, and in this way build relationships with its clients that are characterized by mutual respect and trust. Not only today, but also far into the future.

Something which is made possible by a network of almost 1,000 offices spread over 44 countries. A network that gives the ABN access to specialized knowledge of local markets throughout the world.

Which is why the ABN holds its own with the world's

most important banks. And why renowned multinationals and large local companies operating internationally avail themselves of our know-how.

For day-to-day banking services such as electronic banking and netting, of course. But particularly also for specific projects, which may run from leveraged-lease aircraft financing to co-generation energy projects. And from complex swaps to off-shore loans.

This then is the firm foundation on which the ABN builds solid relationships with large numbers of international enterprises. Because a bank that knows the world, automatically becomes known throughout the world.

**ABN Bank**

A WORLD OF UNDERSTANDING.

OVERSEAS NEWS

China may lift martial law before October

By Peter Ellingsen in Peking

NO ONE would have expected President P.W. Botha of South Africa to retire gracefully from power. But his decision to resign as State President, while refusing to appoint a successor, reflects a degree of political irresponsibility which has infuriated National Party colleagues.

Games late next year. But with tourism revenue expected to be halved this year, and foreign Governments and business people reluctant to invest in China, some leaders have urged an end to martial law. Also, the party may move to end the purge of "counter-revolutionaries" before October 1.

Botha, a man who regards limelight as rightfully his

By Patti Waldmeir in Johannesburg

generate headlines as though the political limelight remained rightfully his. Yesterday it was his again, as he summoned Cabinet colleagues to discuss a party crisis of his own making.

come party officials had most dreaded from the unpredictable President. They had plenty of warning Mr Botha was not about to wind down quietly.

the President were neither unexpected nor very damaging politically. But his meeting with jailed African National Congress leader Nelson Mandela was in a different category.

tain Mr Mandela to see at his official Cape Town residence must rank as one of his more momentous such actions. The principle appears to have been discussed with Cabinet colleagues, with its timing determined by Mr Botha alone.

recruitment at being forced to leave the political stage without securing a viable future for South Africa, and a southern African peace.

Crisis underlines danger of concentration of political power

By Michael Holman and Jim Jones

SOUTH AFRICA'S constitutional crisis illustrates starkly the dangers of giving too much power to one man. Its origins go back to 1983.

Black political aspirations would continue to be met through the existing homelands, although black leaders would have the chance, declined by all important figures, to take part in a consultative council.



Newspaper hits the streets yesterday in Cape Town with the news that President P.W. Botha was about to resign.

Botha, they wield immense influence through his National Security Management System, the Republic's intelligence agency.

Kim accuses security forces over poll

By Maggie Ford in Seoul

MR Kim Dae Jung, South Korea's main opposition leader, yesterday denounced the country's security forces whom he claimed were trying to undermine his party ahead of an important parliamentary by-election on Friday.



Kim: election factor

Korea, and the perceived downturn in the economy. Under South Korea's election laws, unrevised since the start of the transition to democracy, most normal campaigning is banned.

PLO resists US pressure to consider Shamir plan

By Jihan el-Tahriri in Tunis

TALKS between the Palestine Liberation Organisation and the US ran into trouble yesterday during a fourth formal meeting since last December.

State Department. "We made clear our conviction that the Palestinians must respond to the challenge of building a new peace, not continuing an old conflict."

"We never told the US that we will stop armed struggle. As long as there is occupation it is not only our right but our duty to go on with armed struggle against Israeli occupation," said Mr Jamil Hilal, a PLO spokesman.

Palestinians appeared to have hardened their response. "The PLO does not consider, in any way, that elections can establish the basis for a political settlement," said Mr Yasser Abed Rabbo, the chief PLO negotiator.

Khamenei rules out US hostage negotiations

By Kamran Fazel in Tehran and Lara Mariowe in Damascus

AYATOLLAH AH Khamenei, Iran's new revolutionary leader, yesterday bitterly attacked the US and ruled out negotiations between Tehran and Washington over hostages held by pro-Iranian groups in Lebanon.

His verbal assault on the US contrasted with the conciliatory tone taken in recent days by Hojatoleslam Ali Akbar Hashemi Rafsanjani, the new Iranian President, who has offered to help on the hostage issue.

Japanese tool orders increase 30%

By Ian Rodger in Tokyo

ORDERS for Japanese machine tools jumped 30 per cent in the first half of this year to ¥601.9bn (€2.7bn), and the industry's association is forecasting a record year.

UN body criticises HK over refugee conditions

By Michael Murray in Hong Kong

THE Hong Kong Government has come under fire from the United Nations High Commission on Refugees over conditions in the territory's detention centres for Vietnamese boat people, who are living in increasingly overcrowded closed camps as the influx into the territory has built up over the year.

against the building of a new camp near the High Island reservoir in Sai Kung, and called for an end to the policy of granting first asylum.



Newly arrived refugees pictured in a police lorry yesterday

India condemns Tibet meeting

By K.K. Sharma in New Delhi

A THREE-DAY international convention on Tibet and peace in South Asia, which ended in New Delhi yesterday, has embarrassed the Indian Government because of the support it drew for the cause of Tibet's independence from China.

Thailand's Uncle Chat triumphs over the sceptics

Premier skims from crisis to crisis with a 'No problem' philosophy, Peter Ungphakorn writes

JUST OVER a year ago, Gen Chatchai Choonhavan's Chat Thai (Thai Nation) Party won the largest number of seats in the Thai general election, but he proclaimed he would not be a suitable prime minister.



Chatchai: 'no problem'

seems to bumble along amiably from crisis to crisis but he has managed to reshape Thai foreign policy and pacify the army.

board of the state electricity generating authority. Even if his Cabinet, much of which was inherited from Gen Prem, is not entirely spotless, the economy continues to grow and foreign investors continue to be attracted.

the growth - although many of Thailand's 62m people still suffer severe poverty. His determination to take the lead in foreign policy at the risk of eclipsing the foreign minister, Air Chief Marshal Siddhi Savetsila, was achieved by his insistence on turning "the battlefield of Indochina into a market place".

for the army's academy. The following evening, 1,000 indignant army officers "demonstrated" in a luxury Bangkok hotel and the advice was forced to resign - much to the pleasure of the bureaucracy who see Gen Chatchai's advisers as inexperienced.

AUGUST 1989

his

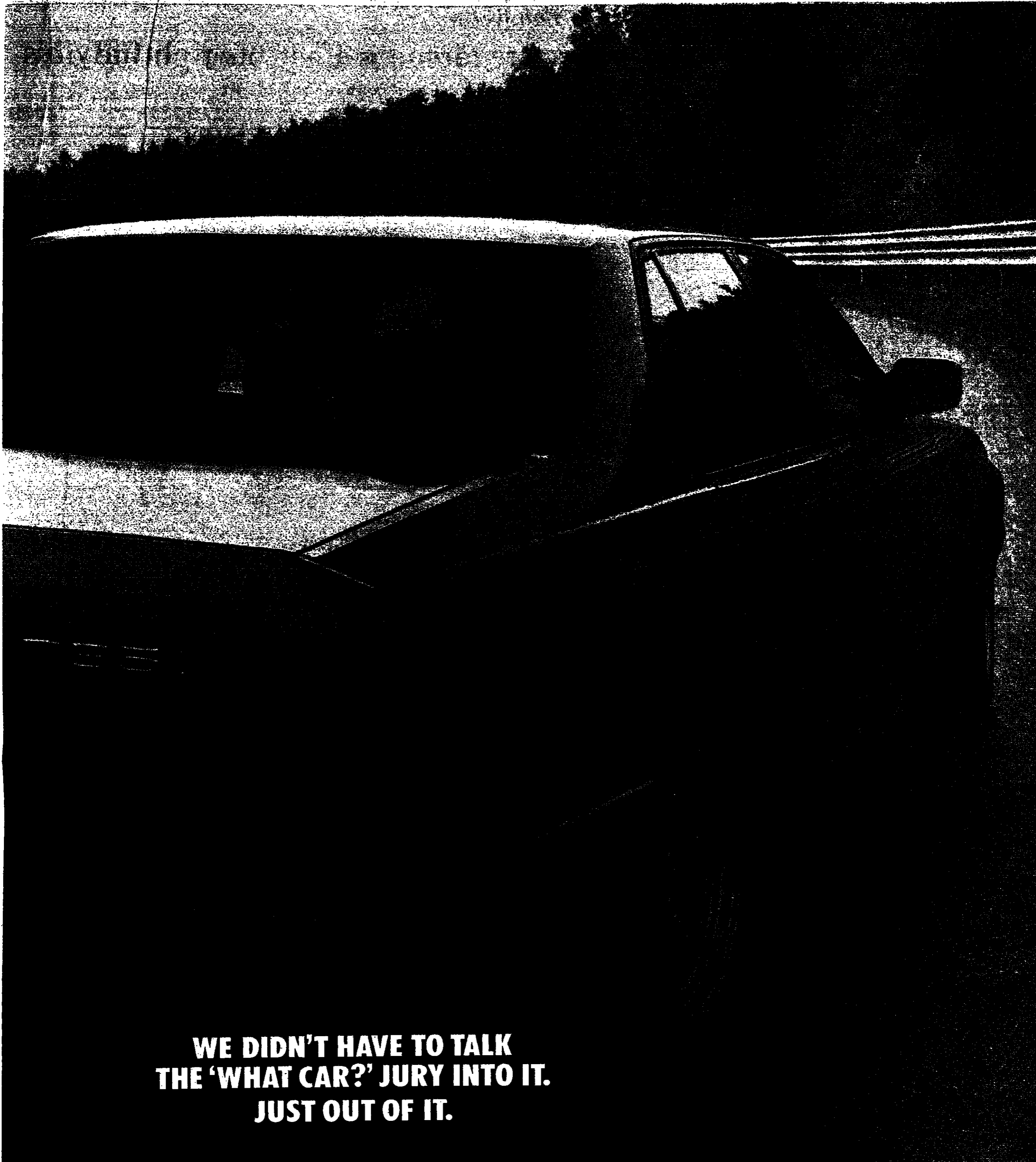
power

menei

out

hostage

otiation



**WE DIDN'T HAVE TO TALK  
THE 'WHAT CAR?' JURY INTO IT.  
JUST OUT OF IT.**

In 1988, 'What Car?' voted the BMW 735i 'Best Director's Car.'

Come 1989, and despite a number of new contenders, they came to precisely the same conclusion.

The 735i, this time in Special Equipment form, is still the 'Best Director's Car.'

And even before the car had moved, the typewriters were rolling:

"The ergonomic quality of the control and fascia layout is superb."

But it was when the ignition key was turned that the praise really started.

"For such a big car, the BMW 735i is surprisingly agile."

Not so surprising when you consider that the chassis underwent three million kilometres of development testing.

It only took the journalists the first couple of miles to appreciate some other features.

"It scores highly on details too, such as the automatic tilt of the external mirror activated by selecting reverse, which allows the driver a view of the kerb."

They concluded that the "engineering excellence, striking styling and a near perfect blend of performance and comfort make the BMW the one to beat."

If you'd like to book a test drive in the 735i, or indeed any of the 7 Series models,

just fill in the coupon below and post it to us. And no doubt in a few miles you'll reach the same conclusion as the jury.

To: BMW Information Service, PO Box 46, Hounslow, Middlesex TW4 6NF.  
Tel: 01-897 6665. Please send me further information on:-


BMW 730i     BMW 735i     BMW 750i    (Please tick)

Mr, Mrs, Mess, etc:    Initial    Surname    T2/FT2

Address

Town/County    (Post Code)

Present Car    Year of reg.    Age if under 18



**THE ULTIMATE DRIVING MACHINE**

THE 7 SERIES STARTS AT £24,500. CAR SHOWN: 735iSE £36,100 EXCLUDING OPTIONAL CROSS SPOKE. ALL DY WHEELS AS SHOWN. PRICES CORRECT AT TIME OF GOING TO PRESS. EXCLUDE DELIVERY AND NUMBER PLATES. INCLUSIVE DELIVERY CHARGE INCORPORATING BMW EMERGENCY SERVICE. £233 + VAT. ALL NEW MODELS (EXCEPT THE M SERIES) CAN TAKE UNLEADED FUEL WITH NO MODIFICATION REQUIRED. FOR A 7 SERIES INFORMATION FILE, PLEASE FILL IN THE COUPON OR TELEPHONE 01 897 6665 (LITERATURE REQUESTS ONLY) FOR TAX FREE SALES, TEL 01 629 9277.

WORLD TRADE NEWS

W German group wins Australian frigate order

By Chris Sherwell in Sydney and Robert Taylor in Stockholm

A MELBOURNE-BASED consortium including Blohm and Voss, the West German naval shipbuilder, has won the lucrative AS5bn (£2.3bn) contract to build between eight and 12 light patrol frigates for the Australian and New Zealand navies. The decision, announced yesterday after a meeting of the Australian Cabinet, commits Australia to taking eight frigates, worth AS3.5bn, and provides for New Zealand to take another four should Wellington stand by its plans to join in. Blohm and Voss and its main local partner Transfield, a privately-owned local construction group, beat a New South Wales-based consortium of companies linked with Royal Schelde, the Dutch shipbuilder. As part of the winning contract, Bofors Electronics, a subsidiary of the Swedish chemical and ordnance conglomerate Nobel Industrier, has won an order worth from SKr1bn to SKr1.5bn (£144m) to provide electronics software and hardware computer command and control systems. Another Swedish company, Ericsson Radar Systems, will produce the surveillance equipment for the vessels. Mr Bø Horner, Bofors' marketing director, said: "This is the largest order we have ever had." The order is seen as a breakthrough for Bofors Electronics, which was acquired by Nobel in June from the Dutch-owned company Philips. Mr Horner said that he thought there was now the possibility of further large contracts for the company over the next two years. The contract means the two navies will receive the Meko 200 frigate instead of the Dutch M Class ship, with deliveries starting in the mid-1990s. With jobs for up to 12,000 people directly and indirectly, it entails the largest naval construction programme undertaken in Australia. The decision was taken principally on price. According to Mr Kim Beazley, the Defence Minister, the West German consortium's offer was a

Moscow and Israel sign pact on agriculture

ISRAEL'S Agriculture Ministry and the Soviet Academy of Sciences have signed an agreement to create a joint agricultural company, AP reports from Jerusalem.

The announcement carried by Israel radio came shortly after Tass had reported that since the two countries had agreed on their first joint venture, which will make medical equipment. Mr Amram Olmert, director of Israel's government-run Agrileb company, expressed hope that the new farm sector company, Agromir, would help solve the Soviet food crisis. The Soviet Union cut diplomatic ties with Israel after the 1967 Middle East war. However, cultural and tourism exchanges have expanded since the two countries exchanged interest offices in 1987 and 1988. Mr Olmert told Israel radio that Israel's advanced agricultural technology contributed to the Soviet desire to co-operate on a concrete, business basis, without any political implications. "I'm not saying that we will solve the Soviet problems, but our joint impression is that we can contribute to this," he said. The radio reported that the agreement was signed on Saturday at the end of a 12-day visit by a Soviet delegation.

US bans firms over Iran link

THE United States Commerce Department has for the first time activated an export control provision of last year's trade law by refusing export rights to two West German firms, linked with the sale of a mustard gas chemical to Iran. Nancy Dunne writes from Washington. The Department has revoked for nine years the export rights of Chemco and Colimex, both of Cologne, because of links to Mr Peter Walaschek, a Cologne businessman. Mr Walaschek last year pleaded guilty in the US to illegally re-exporting thiodiglycol from Singapore to Iran in violation of US export control regulations.

Cloud over Siemens East bloc phone deal

David Goodhart reports on rising concern in the West over technology transfers

FOR ANYONE who regularly has to telephone into or out of the Eastern bloc, the news that Siemens of West Germany could be close to clinching a series of deals to digitalise the antique telephone systems will be most welcome. To CoCom, the Paris-based Co-ordinating Committee on Multilateral Export Controls, which regulates Western exports of militarily sensitive technology to the East bloc, it could be the start of a troublesome argument testing the borders of its recent liberalisation in the wake of Mr Mikhail Gorbachev's reforms. Digital telecommunications technology may seem innocent enough but, like computers, it is a "strategic" technology which has the potential to increase the effectiveness of all economic and political institutions - including the military. CoCom thus has to tread carefully in applying the new policy of "higher walls around fewer items". Its job is made no easier by having to deal with increasingly complex technology which comes in all shapes and sizes, some bits of which are restricted while others are not. "Most parts of the CoCom list are quite unintelligible to anyone who is not an engineer, and even if you do understand it the question of how the technology is going to be used can also be crucial," says one US official. The US remains, as one West German official put it, "master of the CoCom game", and has

not in CoCom. The most important recent symbol of reform was the ruling last month that 16-bit microcomputers (but not 32-bit) can now be exported to the East bloc. But to some Europeans, and especially Germans, that decision - although welcome in itself - highlights the extent to which CoCom is also used as an instrument of US trade policy. "It is no coincidence that this important step has come first in computers, where the US is strong, rather than machine tools where they are very weak," says one German official. He added that the Pentagon often overrules the US industrial lobby but that lobby still has more influence in CoCom than industry in any other country. Other West German officials point to the fact that in the historic agreement for Siemens to supply the Soviet Union with up to 300,000 personal computers about 60 per cent of the work will be done in the US.

Siemens is in the lead but may need a US partner to boost its Soviet business

Siemens's basic digital switch - the EWSD - which they had previously not been allowed to sell in East Germany or Hungary is now off the restricted list. Indeed Siemens says that it has already delivered nine or 10 such switches to the Ukraine from its plant in Yugoslavia, and that negotiations are currently progressing with several other East bloc countries about similar deliveries. So far so good, for the supporters of a more liberal regime. However, Siemens's latest announcement that it is negotiating a joint venture with the Soviet Post Ministry to build such digital equipment inside the Soviet Union may run into CoCom barriers. For there were two important qualifications to last year's digital liberalisation. First it must not involve technology transfer - in other words you can export the system there, but you must not build it there and thus give the East bloc the wherewithal to build it themselves. Second, the most sophisticated aspects of digital technology - in particular the Integrated Systems Digital Network (ISDN) - must remain restricted. ISDN has in fact already been exported to China and there will be pressure to allow it into the East bloc. In the long run, the technology could provide a useful boost to the reform process by improving bureaucratic efficiency. Siemens seems to be in the lead in trying to push back the barriers in this field, but what the German company may require - as one analyst observed - is a US partner to boost its Soviet business. A similar conflict of priorities and interests may soon be cropping up in space technology, where the Soviet Union and China have been competing to put commercial satellites into space for German companies like MBB.

Banana growers in plea to EC

By Tim Dickson in Brussels

LATIN AMERICAN banana growers have issued a joint plea to the European Community to ensure continuing access for their products once the single market is completed in 1992.

In a declaration adopted over the weekend at the International Banana Congress at Cartagena, Colombia, growers from Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the Dominican Republic aligned themselves with views expressed in a recent note sent by the Union of Banana Exporting Countries to the President of the EC Council of Ministers and to Mr Jacques Delors, President of the European Commission. The declaration pointed out that the banana industry provides direct employment for around 200,000 people in those countries. It also stated that the jobs of millions more were linked to the industry. According to the congress



Delors: target of lobbying from the main exporting countries. The EC's highly complex banana regime poses one of the biggest challenges for Brussels policymakers. It combines preferential access to French and British markets for growers in former colonies (notably the Caribbean) with a 50 per cent tariff on cheaper Latin American, or "dollar" bananas for most other member states (except West Germany which has long had a tariff-free quota roughly equivalent to its annual consumption). It is already clear that the tariff-free quota will have to disappear come 1992, but the Commission is in the process of drawing up proposals for a solution, reconciling the economic and political interests of the various member states. The Germans are insistent that the protected French and British markets should be phased open. Paris and London appear to be lobbying hard to keep some form of regulation.

Bremen awarded £234m Soviet container order

By Andrew Fisher in Frankfurt

ONE of West Germany's biggest shipbuilding orders has been won by the Bremer Vulkan and Howaldtswerke Deutsche Werft (HDW) yards, which will build six container ships for the Soviet Union at a cost of around DM720m (£234m). The Soviet Union also has an option for the construction of four other vessels, which if exercised would bring the contract's total value up to DM1.2bn. The order will be shared equally between the two yards and represents a significant departure from the Soviet practice of ordering ships mainly from eastern Europe. Like yards in other European countries, those in northern Germany have suffered in recent years from cheaper Far Eastern competition and the malaise in the maritime sector. However, including the option, the Soviet deal will keep the two yards busy until the middle of 1993. Delivery of the ships will start in the second half of 1991. Financing will be provided by German banks headed by Kreditanstalt für Wiederaufbau, which said some element of interest rate subsidy would be involved to accord with Organisation for Economic Co-operation and Development rules on shipbuilding credits. Altogether, the Soviet Union has indicated that it wants to place shipbuilding orders worth around DM4.5bn. This would mean the inclusion of other German yards. German industry has benefited considerably this year from the Soviet Union's efforts to refurbish and re-equip both its heavy and consumer industries. Engineering companies have reported a lift in their new orders and trade between the two has recovered from the weakness of previous years.

Advertisement for FinTech newsletters. Title: Get £62 worth of business information free. Content includes descriptions of TELECOM MARKETS, MOBILE COMMUNICATIONS, AUTOMATED FACTORY, and ELECTRONIC OFFICE newsletters, along with contact information and a subscription form.

Advertisement for Capital Markets Workshop. Title: CAPITAL MARKETS WORKSHOP. Content includes details of a 3-day workshop on managing capital market activities, organized by Price Waterhouse and the Financial Times Conference Organisation. It lists speakers like Jonathan Britton and Anthony Wilson, and includes a contact form.



UK NEWS

Banks win right to argue borough's dealings case

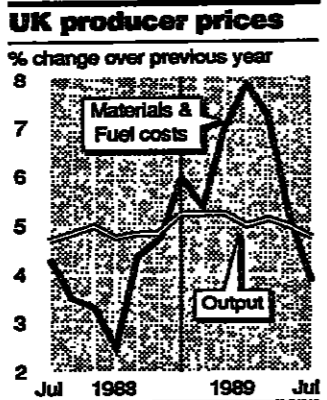
By Norma Cohen

THE DISTRICT Auditor has failed to bar a group of banks from arguing that interest-rate swap and options contracts entered into by the London borough of Hammersmith and Fulham are legal.

Manufacturers' costs decline

By Peter Norman, Economics Correspondent

FALLING prices for metals, imported non-food materials and petroleum products produced a surprisingly large drop in British manufacturers' fuel and raw material costs last month.



UK producer prices % change over previous year

Market competition high despite withdrawals

By Richard Waters

THE WAR of attrition between market makers has done little so far to drive capacity out of the market, in spite of a number of well publicised withdrawals, according to figures published by the Stock Exchange yesterday.

SA group in London move on cricket tour

By Tom Lynch

REPRESENTATIVES OF South Africa's cricket board met next week's proposed tour by rebel English cricketers to talk in London yesterday with Sir Shridath Ramphal, Commonwealth secretary general.

SLD seeks reforms of planning

By Tom Lynch

COUNCILS SHOULD be encouraged to make more use of "planning gain," under which developers provide community facilities in return for planning permission, according to a Social and Liberal Democrat policy paper out today.

W German group in food sales push

By Maggie Urry in London and Halg Simonian in Frankfurt

ALDI, a leading West German food retailer, is planning a determined push into the already competitive UK food retail market.

Unit trust approval for Thailand

By David Barchard

THE SECURITIES Exchange of Thailand has been added to the list of approved markets for UK unit trusts.

Weighing up the burden of proof

Raymond Hughes writes on the culmination of the Howden affair



Ian Posgate (left) and Kenneth Grob: denied all charges at the 15-week trial.

AFTER a trial lasting 15 weeks, a jury at Southwark Crown Court yesterday retired to consider its verdicts on Mr Kenneth Grob, former chairman of the Alexander Howden Group, a leading British insurance broker, and Mr Ian Posgate, a former star underwriter on the Lloyd's of London insurance market.

Mr Grob has pleaded guilty to 16 charges of theft from Howden and syndicates it managed; Mr Posgate denies a single charge of conspiring to steal from the syndicates.

W German group in food sales push

By Maggie Urry in London and Halg Simonian in Frankfurt

ALDI, a leading West German food retailer, is planning a determined push into the already competitive UK food retail market.

Coates has already secured a number of shop units in the UK, has arranged warehouse space and is attempting to poach executives from other supermarket groups.

DEC expansion will create 500 jobs

By Alan Cane

DIGITAL Equipment Corporation, the world's second largest computer company, is planning to invest £30m in a development in Warrington, Cheshire, which it says will result in the creation of up to 500 jobs.

Sellafield waste disposal method satisfies MPs

By John Hunt, Environment Correspondent

SIGNIFICANT improvements have been made in the procedures for disposing of low-level radioactive waste at the British Nuclear Fuels site near Sellafield, according to the Commons Environment Committee.

Bradford site for advanced industry park

By Ian Hamilton Fazeys, Northern Correspondent

A EUROPEAN centre dedicated to advanced manufacturing is to be based in Bradford, the West Yorkshire city is to build a 27-acre technology park for modern industrial enterprises featuring a "software village", factory units and a conference centre.

Safety call on hotel pools

By David Churchill, Leisure Industries Correspondent

THE Consumers' Association yesterday called for action by the European Commission to improve safety standards in hotel swimming pools throughout Europe.

Advertisement for Tricon piggybacking, showing a piggybacking figure and text: 'THE PIGGY BACK... Piggybacking means topping communication lines...'

Handwritten signature or scribble at the bottom of the page.











ARTS

EDINBURGH FESTIVAL

A true son of Scotland takes his rightful place

Mary Rose Beaumont reviews the work of noted artists in exhibitions north of the border

During his lifetime Sir William McTaggart (1838-1910) scarcely exhibited outside Scotland, so it is only now, with a comprehensive show at the Royal Scottish Academy, that he is seen to be a painter of international stature.

McTaggart's subjects are exclusively Scottish, but their scope is more than parochial

and his earliest paintings are of figures subject to the pre-Raphaelites. His Diploma picture, 'Dora', 1866, a typically Victorian subject taken from a poem by Tennyson, is strongly reminiscent of Millais' 'The Blind Girl'.

The dangerous lives of fisher folk especially attracted him, and such paintings as 'The Storm' and 'Booming for Shelter' show the effects of wind and weather on the frail craft of the fishing fleet.

But McTaggart's historical subjects are painted as if they were contemporary events. 'The Coming of St. Columba' shows the tall ships racing in under full sail, while a group of children play on the cliff-top, unaware of the import of the saint's arrival.

Scottish art exhibition to come to London

The first major survey of 20th century Scottish art will arrive at the Barbican Art Gallery in London early next year, ranging from the Colourists in the early years of the century and the



Ra-Ra Zoo in Stop Laughing This Is Serious

Atlántida, Usher Hall

So far, Spain dominates the musical side of the Festival. On Sunday the National Orchestra of that country and Rafael Frühbeck de Burgos made a welcome visit to the Usher Hall, and their Falla programme included a rare opportunity to hear parts, at least, of his vast, unfinished work, the 'Sociedad Cantata' Atlántida.

The Judgement of Paris

It was a clever idea to re-run a musical competition from the 18th century without the original result being divulged. A surprising number of operas have come into being as the result of an open competition, but there are not many cases where it would be possible today to hear all the extant entries for one in a single evening and pronounce judgement on them anew.

A carnival circus comes to town

The 43rd Edinburgh Festival was given a tremendous fireworks party on Sunday night by the Catalan street theatre company, Els Comediants.

There are no analogies here with Bonfire Nights of childhood, no tentative lighting of the blue touch paper before standing well back and watching a little splutter of silver rain. Els Comediants seem to set the very school ablaze and provide a sensational spectacle of whizz-bang pyrotechnics while the illuminated castle floats serenely by in the distance.

Dimonis was seen in Battersea Park during the 1985 LIFT Festival. A different sort of occupation is here proposed in one of Scotland's finest 17th century buildings. A lone devil abseils down from the main school turret and suggests a night of orgy, a raid on reason.

More of a shuffle, it turned out, as we moved around various scaffolded locations to the constant crackle and whoosh of multi-coloured explosives that are detonated with extraordinary facility. A medieval mummer just taps the base and off it goes. The sideshow concentrates, finally, on the main stage of pummelling drummers and cavouring demons.

A huge phallus, huger even than Gerry Sadowitz's, is set alight, so we can truly say that we have at last great balls of fire. The devil climbs with breathtaking insouciance the Victorian Gothic outer wall and declares the Republic founded and the Festival open.

The fringe response to the circus initiative is equally fiery and remarkable. Out on Leith Links, near the

and less on the opera La vida breve, of which a complete concert performance took up the greater part of the programme. Not that one regrets time spent on an irresistible work, but this is in every sense the more accessible of the two. Here the Festival chorus was really too large for the off-stage, atmospheric wordless phrases of the first two scenes and positively explosive in the idea of the chorale dance at the wedding, exciting but dramatically absurd.

Towards Bach

Ever since the new broom of the South Bank Summer Music out of the August schedules, a whole range of alternatives to the Proms has been explored. The most enduring has been Summerscope, an ecumenical affair which can encompass many art forms. It was under such a banner that 'Towards Bach' was launched on Sunday, a fortnight of recitals aimed at surveying as many strands of Bach's achievement as possible, within a useful historical context.

Richard Fairman

ARTS GUIDE

THEATRE

London

The Merchant of Venice (Phoenix). Dustin Hoffman's Shylock a sympathetic, semaphore-gesturing alien in Peter Hall's fine Venetian Renaissance production. Geraldine James a superb Portia (836 2294).

New York

Heldi Chronicles (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s, accompanied by the musical and emotional favour of the period (238 6900).

Chicago

Driving Miss Daisy (Briar Street). The touching relationship between a dowager, played in this production by Dorothy Loudon, and her black chauffeur exposes the changes in the South over the past several decades (348 4070).

Tokyo

Les Misérables (Imperial Theatre). The stirring musical of the storming of the Paris barricades. The production is a recreation by Trevor Nunn and John Caird of their London original - complete with John Gutter's superb set and lighting. Noh National Noh Theatre (Wed at 1pm) (523 1331). Harjo (The Girl Who Loved Wot Wot Anzu).

Queen Elizabeth Hall

Ever since the new broom of the South Bank Summer Music out of the August schedules, a whole range of alternatives to the Proms has been explored. The most enduring has been Summerscope, an ecumenical affair which can encompass many art forms.

Geneva

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why Frederick Ungeheuer, Time magazine's senior financial correspondent, describes us as 'the paper with the best coverage of international finance.'

Have your FT hand delivered every day in Switzerland. If you work in the business centre of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, ST GALLEN, ZUG, ZURICH or WINTERTHUR - gain the edge over your competitors. Have the Financial Times hand delivered to your office. Then start every working day fully briefed and alert to all the issues that affect your market and your business.

Have your FT hand delivered every day in Switzerland. If you work in the business centre of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, ST GALLEN, ZUG, ZURICH or WINTERTHUR - gain the edge over your competitors. Have the Financial Times hand delivered to your office. Then start every working day fully briefed and alert to all the issues that affect your market and your business.



# LETTERS

## London transport merits Government investment

From Mr Tony Travers.  
Sir, Your leader (August 10) about financing the Jubilee Line extension to Docklands makes the reasonable point that London travellers get the transport infrastructure they deserve.

Whether or not the Jubilee Line extension or the two crossrail proposals get built depends, it would appear, on the Government's success in convincing a number of devel-

opers - and existing occupiers, presumably - voluntarily to put up cash to pay for part of the capital cost of new lines. This search for cash ignores the fact that the rising land values resulting from such transport infrastructure would produce extra income for the Government for years to come.

First, property owners would be able to charge higher rents for their offices. These higher rents would lead to higher profits which would then be taxed.

## 'Engineering, like petty crime, just does not pay'

From Mr Liam Mulloy.  
Sir, As an ex-mechanical engineering graduate, I am not surprised at the dearth of young people wishing to enter the engineering profession.

If the "underpaid" and "overworked" labels do not act as sufficient de-motivators, then perhaps a career path which culminates in the relatively low-level, lowly-paid title "chief engineer" should. The scarcity of engineers at board level in the UK bears testimony to the fact that engineering, like petty crime, just does not pay.

As a recent MBA from City University Business School, in London, it was interesting to note that over 60 per cent of our finance class was composed of disenchanted ex-engineers. Unless senior management take bold steps to enhance career prospects for engineering graduates by, say, paying salaries equivalent to other professions (that is, not equivalent to other engineers), we could see the number of disenchanted engineers rising even higher.

Liam Mulloy, Price Waterhouse, EC Services, Brussels

From Mr Gordon J. Rowlands.  
Sir, GEC-Marconi has publicly acknowledged the role that the professional institutions can play in maintaining the skill base of engineering personnel during career breaks ("Marconi offers subsidised courses", July 31). Many more firms - including smaller ones - should follow suit, with similar encouragement for all engineering employees.

The professional institutions are well aware of the importance of CPE (continued education and training); today's world of rapidly changing technology makes a graduate's knowledge obsolete in three years after taking a degree. In conjunction with the Department of Trade and Industry and the Engineering Industry Training Board, this institute has set up and organised a popular part-time awareness course on advanced manufacturing techniques, the first of its kind in the UK, with some 180 colleges and polytechnics participating.

We also "teach the teachers." We have just finished an annual summer school where UK experts in their field update college and polytechnic lecturers. This year we concentrated on manufacturing in the electronics industry.

Companies and Government must do much more to encourage a greater number of technologists and managers - male and female - to undertake in-career updating. Shortage of engineers is the result of narrow curricula, biased heavily towards analytical science. Japan produces nearly 10 times as many engineering graduates as the UK but only half the number of scientists. There is a lesson somewhere. Gordon J Rowlands, The Institution of Production Engineers, Rochester House, 65 Little Ealing Lane, W5

## Social 'rights' in the EC

From Mr Richard Brown.  
Sir, Mr Holger Schmieding makes a too-often repeated assertion (August 2) that the European Community Social Dimension, by raising labour costs, will provoke irresistible demands by the European Community's poorest countries for protection.

An examination of the current social "rights" - holidays, employment protection, minimum wages and parental leave in EC member states - shows that the citizens of "poor countries" like Portugal enjoy a high level of rights.

Increased costs will be incurred by employers in "rich" countries like the UK, where the level of protection is low.

The competitive position of countries like Portugal in relation to the UK is therefore more likely to improve as a result of the European Community Social Dimension - not the reverse.

While the Social Dimension may well push the European Community towards a more protectionist stance, it would be wrong to blame the "poorer" countries. Richard Brown, Head of External Policy, British Institute of Management, 64-78 Kingsway, WC2

From Mr Ashley Eiggins.  
Sir, May I add a footnote to Alice Rawsthorn's interesting article on bowler hats (July 31)?

You may not be aware that, once a year, on the first Sunday in May, cavalry officers past and present gather in Hyde Park and march to the bandstand in bowler hats, clutching umbrellas.

Needless to say, because it is the only time in the year one is required to wear this form of dress (for most of us), a large amount of good-natured thieving goes on during the previous Saturday evening.

Officers are to be seen lurking in club changing rooms on Sunday mornings, surreptitiously trying to replace the bowler hat that a colleague has just swiped. I myself have spent an entire Saturday evening going from pub to pub, "claiming" a "lost" black umbrella which I eventually laid hands on - as it happened, completely untraceable, but reasonably presentable in rolled-up form.

From Mr Edmund Dell.  
Sir, I enormously enjoyed Michael Prowse's Lombard article ("The irrelevance of micro reforms," August 4).

I only wish there were more such articles in the Financial Times instead of the cantonal strutting of theories which have, at best, only accidental relationships with the real world.

As your correspondent so excellently puts it: "The danger economies lie not in the minds of economists."

## In touch with the real world

Edmund Dell, 4 Reynolds Close, NW11

## Bowled over and out

From Lieutenant Colonel J.A. Christie-Miller.  
Sir, Alice Rawsthorn's article about bowler hats (July 31) has just been brought to my attention by a friend in the south of France. She might be interested in the following:

## Eau dear

From Mr L.A. Matthews.  
Sir, You recently made international comparisons of the cost of tap water: less than £1 per cubic metre in Europe.

## Eau dear

On an adjacent shelf, West German-packaged fruit juices are 62p per litre pack. L.A. Matthews, PO Box 246, Burnham-on-Crouch, Essex

## The debate on European monetary union

From Mr Peter Colbrick.  
Sir, One of Martin Wolf's conclusions, in his article on European monetary union (EMU), was that "there must be no pressure for EC-wide common wages or working conditions" aided by the adoption of the Social Charter because this would lead to existing problems of low productivity regions (August 7).

severely challenge this sort of behaviour, and economists generally applaud this. They should equally applaud the growth of European-wide collective bargaining.

investment generally. Of course it is wrong to believe that social progress can be sustained without economic progress, but have events in China and in eastern Europe not shown again that economic progress cannot be sustained without social progress, either?

From Mr Peter Robson.  
Sir, Martin Wolf's article ("The tricky aerodynamics of EMU," August 7) reminds me that during the last great war - as I recall - the Miles aircraft team (which had success-



## Bolshoy loses on points

From Mr Michael Varcoe-Cocks.  
Sir, There have been glorious moments in the Bolshoy's ballet season at the London Coliseum, but Clement Crisp has hung up his critical faculties with Ulanova's pointe shoes if he can seriously assert that the company's director, Mr Grigorovich, has given it "a new sense of purpose and sustained its undiminished excellence over the last 25 years."

In overall standards of production, technical skill, repertoire and communication of "joy in movement," the Bolshoy is surpassed by New York City Ballet, the Kirov and the Paris Opera Ballet, and hardly keeps its head level with American Ballet Theatre, the Royal Danish Ballet and the John Neumeier's Hamburg Ballet.

Design, staging and lighting, costumes and wigs have been generally second-rate or worse. There has been some fine dancing, but the presentation of the company as a frayed circus rather than an institution with a great and cherished cultural heritage has displayed equal contempt for dance lovers and first-time visitors alike. It is a disservice to your readers that your critic - almost alone among his colleagues - has not pointed this out.

## Eau dear

From Mr L.A. Matthews.  
Sir, You recently made international comparisons of the cost of tap water: less than £1 per cubic metre in Europe.

On an adjacent shelf, West German-packaged fruit juices are 62p per litre pack. L.A. Matthews, PO Box 246, Burnham-on-Crouch, Essex

## FOREIGN AFFAIRS

# Time for a farewell to arms

## Edward Mortimer submits that it is time to end weapons supplies to both sides in Afghanistan

his regime had proved to be viable without having to be defended by American troops, many would have wished it good luck.

With hindsight, it would have been better if Vietnam had been spared that "decent interval"; if there had been instead a ceasefire and a negotiated peace. Better still, perhaps, this would have enabled the South Vietnamese people to "decide for themselves the political future of South Vietnam through genuinely free and democratic general elections under international supervision." Ideally, these elections would have been organised by an interim coalition government in which the Thieu regime, the Viet Cong and the neutral "third force"

## Afghanistan is not Vietnam and the Afghan mujahideen are not the Viet Cong

were represented equally and all decisions taken unanimously.

respect for "the independence, sovereignty, unity and territorial integrity of Vietnam." Yet most Americans continued to think of South Vietnam as the victim of aggression, to whose help they had legitimately gone, and of North Vietnam as an external aggressor which had defeated them dishonourably in an unjust war.

This, of course, is precisely what was prescribed by the Paris Peace Agreement of January 1973, except that the body to organise the elections was not called an interim government but a "National Council of National Reconciliation and Concord" (so that the two rival governments could remain in existence until the elections were held). The Council was supposed to be set up through consultations between the two South Vietnamese parties "immediately after the ceasefire." But the two South Vietnamese parties were unable to agree about anything, the Council never was set up, and

That experience, with its grotesque climax on April 29 1975, when the US ambassador and his staff had to be rescued from their embassy by helicopter, is burned deep into the American psyche and especially into the memory of America's foreign policy makers.

defeat in Afghanistan, but only because they knew that they had lost the Vietnam war not in the jungles of Vietnam itself but on the streets and campuses of the United States. Obviously the US was stronger than North Vietnam, but it was also a democracy whose people were unwilling either to "bomb Hanoi into the stone age" or, after a time, to accept the apparently unending sacrifice of their own sons for the freedom of lukewarm and unworthy allies. The Soviet government, it was assumed, would have no need to pay attention to such scruples. But at least it should be made to pay the full cost of its mistake, both in military and economic resources and in terms of its international political standing.

As it turns out, the political cost to the Soviet regime was higher than had been supposed, and the nature of that regime has undergone a change which no one expected. Like the Americans in 1973, the Russians have cut their losses and got out. The parallel has proved so surprisingly close that Americans assumed that it would be followed also "on the ground." Kabul would fall to the mujahideen as Saigon did to the Viet Cong. Indeed, so sure were many in Washington of this that they did not even expect to have to wait two years. They thought it would be a matter of weeks or at most months.

But Afghanistan is not Vietnam. The mujahideen are emphatically not the Viet Cong, and any attempt to cast Pakistan as North Vietnam will certainly invite disaster. The Kabul regime is actually holding its own without Soviet troops, though admittedly with massive reinforcements of Soviet weapons. The US is now said to be belatedly trying to match these with new supplies to the mujahideen, at a time when the latter seem increasingly to be turning their weapons against each other.

Does this policy really lead to anything but more devastation in a country which has suffered far too much? Mr Gorbachev is now offering the "negative symmetry" of ending arms supplies to both belligerents.

Some mujahideen are now willing to explore Kabul's offer of a ceasefire and an interim government in which power would be shared pending elections under the presidency of a neutral "third force." Perhaps representing ex-king Zahir Shah. Should the US not encourage those mujahideen, rather than urge them on to yet another attempt at military victory?

**NORTHWEST**

FOR THE FASTEST ROUTE TO FREE AIR TRAVEL HEAD NORTHWEST

TICKET TO THE U.S.A.

WORLDPERKS

**JOIN NOW AND GET 3,000 MILES BONUS**

Please send me your WORLDPERKS leaflet and enrolment form entitling me to IMMEDIATE MEMBERSHIP.

WORLDPERKS Program Headquarters, Fourth Floor, Belgrave House, 1 Greyfriars, Northampton NN1 2LQ, England.

LOOK TO US @ NORTHWEST AIRLINES

Direct services from Amsterdam, Copenhagen, Frankfurt, Glasgow, Prestwick, London Gatwick and Paris to Boston, Detroit, Minneapolis/St Paul or New York.

NAME: \_\_\_\_\_  
COMPANY: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
TEL NO: \_\_\_\_\_

Enrolment bonus is available to European residents only. It is not available to existing WORLDPERKS members. Offer closes 31 August 1989.







INTERNATIONAL COMPANIES AND FINANCE

Koor to dispose of electronics offshoot in effort to cut debt

By Tony Walker in Jerusalem

KOOR INDUSTRIES, the debt-ridden Israeli public sector conglomerate, is to sell Tadiran, its troubled electronics subsidiary, in an effort to reduce its unmanageable US\$1.25bn debt.

Elders board rejects Elliott offer

By Chris Sherwell in Sydney

THE A\$3 per share offer by Harlin Holdings for Elders IXL is neither fair nor reasonable, according to a detailed valuation of the Australian brewing, agribusiness and finance multinational released yesterday.



John Elliott, chairman of Elders IXL

First Boston Australia compiled the report on behalf of the Elders board, which as a result yesterday issued a formal rejection of the offer from Harlin - a private vehicle company controlled by Mr John Elliott, the Elders chairman, along with several fellow directors of Elders.

The merchant bank confirmed the valuation of A\$3.36 to A\$3.75 per share revealed previously by Mr Elliott. First Boston also reiterated its earlier disclosure that Harlin, with its existing 25 per cent holding, already has effective control of Elders. But it pointed out that Harlin did not have full control of its assets or cash flow, and said it had treated Harlin's offer as "an unsolicited attempt to obtain full control of Elders."

CONTRACTS

Opencast mining project

British Coal Opencast Executive has awarded a £24.4m contract to FAIRCLOUGH-PARKINSON MINING to extract coal from the Skelton opencast site at Templewessam, east of Leeds.

GEC wins thyristor order

GEC ALSTHOM Transmission and Distribution Projects, Stafford, has been awarded a £20m contract to design, make and supply four thyristor valve groups for Manitoba Hydro's Dorsey and Radisson HVDC converter stations in Canada.

IN BRIEF

Helicopters for Norway

WESTLAND HELICOPTERS has won a £12.1m order from the Royal Norwegian Air Force. The package includes one new Sea King helicopter, and the update of the Norwegian search and rescue fleet.

DBS boosts first-half profits by one-third

By Ian Rodger in Tokyo

SUNTORY, the Japanese drinks group, has managed to maintain the growth of its whisky sales in 1989 despite the removal of taxes in Japan which discriminated against imported spirits.

marketing alliance with Allied Lyons of the UK last autumn and recently took a 19 per cent stake in the Bordeaux wine interests of the French GMP insurance group - said its pre-tax profits reached ¥11.7bn (\$82.5m) on sales of ¥354.1bn in the first half. Net profit was ¥2.4bn.

Sales of food and non alcoholic beverages rose 30.3 per cent by volume and 18.2 per cent by value.

Suntory said that much of the growth in the liquor and wine division sales was due to the liquor tax reform, which reduced taxes on premium brands.

Westpac Banking to lift provision for bad debts

By Our Financial Staff

WESTPAC Banking Corporation expects to increase its provision for bad debts by between 15 and 20 per cent in the second half of the year to September compared with the first-half charge of A\$226m (US\$172m), Reuter reports from Sydney.

blamed interest rates in Australia and New Zealand and the depressed commercial property market and economic deterioration in New Zealand for the rise in provisions.

Australian Rothmans earnings surge 45.7%

By Our Financial Staff

ROTHMANS HOLDINGS, the half-owned Australian tobacco offshoot of the UK's Rothmans International, boosted net profit 45.7 per cent to A\$104.1m (US\$79m) in the year to June 30 on sales which rose just 2.7 per cent to A\$1.73bn.

This was achieved on turnover which expanded just as sharply to \$866.7m from \$820.7m.

The bank also disclosed a A\$286m exposure to Hooker Corporation, the property group, and the private Herson group, Hooker's main shareholder. Both are in provisional liquidation.

The filing is for a forthcoming debenture issue. Westpac

Email to raise A\$82.5m through share placement

By Our Financial Staff

EMAIL, the Australian household appliance manufacturer, is to raise about A\$82.5m (US\$) through the placement of 19.2m shares, or 10 per cent of current issued capital, at A\$4.30, Reuter reports from Sydney.

The funds would be used to finance expansion by acquisition and internal growth, Email said.

He went on: "We cannot, at this stage, anticipate how demand and the Australian economy will shape for the full year."

He went on: "We cannot, at this stage, anticipate how demand and the Australian economy will shape for the full year."

First Chicago Corporation

US\$200,000,000 Floating Rate Subordinated Capital Notes Due 1997. Notice of Rate of Interest. Notice is hereby given that the rate of interest on the Floating Rate Subordinated Capital Notes due 1997 (the "Notes") issued by First Chicago Corporation for the amount of US\$200,000,000 on August 15, 1989 and ending on 15th November, 1989 has been determined to be 8 7/8% per cent per annum.

NOTICE OF REDEMPTION. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. Washington, D.C. ("IBRD"). IBRD 7.9% Japanese Yen Bonds of 1983. Due 1995 (Twenty-second Series) (the "Bonds").

U.S. \$60,000,000 Banamex Banco Nacional de Mexico, S.A. Floating Rate Subordinated Notes Due 1992. Interest Rate 8 7/8% per annum. Interest Period 14th August 1989. Interest Amount per U.S. \$5,000 Note due 14th February 1990 U.S. \$226.81.

ADVERTISE YOUR HOUSE IN FULL COLOUR every Saturday in the Weekend FT. To find out more call Kimberly Taylor on 01-873 3231/4885.

COMPANY NOTICES. ABBEY NATIONAL. NOTICE to the holders of those £150,000,000 of the £250,000,000 FLOATING RATE NOTES 2000 currently outstanding (the "Original Notes") and to the holders of the £200,000,000 FLOATING RATE NOTES 1993 currently outstanding (the "First 1993 Notes" and, together with the Original Notes, the "Notes").

LEGAL NOTICES. TELEGRAM PLC. Registered number 2000495. Nature of business, 000495 COMPANY. Trade classification, 38. Date of appointment of administrative receiver, 3 AUGUST 1989.

CLUBS. EVE. has outlived the others because of a policy on fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows.

NOTICE OF CHANGE IN PAYING AGENT. CHRYSLER FINANCIAL CORPORATION. NOTICE IS HEREBY GIVEN, that as of August 15, 1989, Chrysler Financial Corporation Limited of London will no longer act as the paying agent for the above-mentioned bond.

LG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699. An AFB member. Reuters Code: IGIN, IG10. FT 30. Aug. 1966/1975 -1. Aug. 2346/2356 -8. FTSE 100. WALL STREET. Sep. 1974/1983 -1. Sep. 2356/2366 -8. Aug. 2714/2726 +8. Sep. 2724/2736 +8.

INTERNATIONAL COMPANIES AND FINANCE

# KKR reveals reshape at another troubled concern

By Anatole Katetsky in New York

KOHLBERG Kravis Roberts, the leading US leveraged buy-out firm, has admitted that another of its investments, Seaman Furniture, has run into trouble and will have to be restructured.

The reshape would almost certainly involve substantial losses for subordinated bondholders, according to officials involved with the deal.

The Seaman problems emerged less than two weeks after the disclosure that another KKR investment, SCI Television, would probably fail to meet its debt repayment schedule and would be asking creditors for a restructuring.

The miscalculations involved in these two LBO deals will seriously mar KKR's record and could increase its difficulties in arranging junk bond financing for future buy-outs, even though the financial losses will probably be insignificant for the firm and its equity investors.

Seaman, which is the biggest specialised furniture retailer in

the New York area and the second largest in the US, was acquired by KKR in a \$354m buy-out less than two years ago.

It has bank debts of nearly \$57m and subordinated junk bond debts with a face value of \$78m. Much of the \$40m in equity injected by KKR and the \$10m from Mr Morton Seaman, the company's chairman, was spent on the costs of the LBO.

In the last year Seaman's sales have fallen, instead of rising by 5 per cent as projected by KKR at the time of the buy-out. In the eight years before the LBO Seaman's sales had grown by an average of about 20 per cent a year.

Because of the shortfall in revenues, as well as the rise in short-term interest rates this year, Seaman told its bankers last Friday that it would need a debt restructuring.

KKR officials admitted that any restructuring would probably cause a further reduction in the value of Seaman's junk bonds, which trade at less than

50 per cent of their face value.

Wall Street sources also forecast that SCI's bonds, currently trading at between 30 and 65 per cent of their face value, would probably fall further after a restructuring.

SCI is a group of television stations acquired in 1987 for \$12m as part of a "second generation LBO." KKR, with a partner, Mr George Gillette, bought the TV stations from Storer Communications, another LBO investment it already controlled.

The deal enabled KKR to cash in almost \$1bn of its profits from Storer in exchange for a new equity investment of less than \$100m. SCI is having trouble meeting its scheduled debt repayments because TV station values have dropped precipitously in the past two years.

The difficulties experienced by Seaman could draw attention to the potential problems of bigger retailing companies which have been involved in highly-leveraged transactions.

# Packaging activities lift Dutch paper group

By Laura Raun in Amsterdam

EARNINGS at KNP, the Dutch paper group, climbed by 25 per cent in the first half of 1989 due to contributions from its packaging activities and non-consolidated companies.

Net income jumped to Fl 163m (\$74.4m) from Fl 130.7m a year earlier, while earnings from non-consolidated companies were hoisted to Fl 44.8m from Fl 3.5m. Per-share earnings rose more slowly, by 12.5 per cent to Fl 3.95, due to a greater number of shares outstanding.

Mr P.J. de Wit, chairman of KNP's management board, forecast yesterday that per-share earnings for the full year would exceed the Fl 6.71 of 1988.

For the second half he said a further flattening of the profit growth in paper would be offset by favourable developments in the most important non-consolidated companies.

In the second half about Fl 15m of extraordinary income is expected from the sale of a 37.5 per cent stake in Calupal, a Spanish paper company, to Torres Hostench, Spain's biggest paper producer.

Revenue rose 11 per cent to Fl 1.4bn in the first six months from Fl 1.26bn a year earlier.

# Drexel agrees fines with 10 states

By Janet Bush in New York

DREXEL Burnham Lambert, the US securities house which earlier this year pleaded guilty to six felonies in its settlement with the Securities and Exchange Commission over securities fraud charges, has now effectively headed off investigations into its activities by several US states.

In a voluntary agreement drawn up by Drexel and the North American Securities Administrators Association, a collection of US and Canadian administrators, the beleaguered Wall Street brokerage

has agreed to pay \$975,000 in fines to 10 states.

Drexel, which said in April it was selling its retail brokerage network which employed about 2,300 and has since done so, said it expected to settle with most other states and that it anticipated paying another \$11.5m to ensure it could continue to operate freely across the country.

The company, which earlier this year agreed in its settlement with the SEC to pay a \$650m fine and to certain agreements on maintaining

internal discipline and regulation, also said it would contribute funds to a foundation designed to promote securities regulations and ethics.

The firm's announcement of a big restructuring in April, which included selling its retail business, was acknowledged to be partly due to the difficulty, having admitted felonies, of operating in areas where the public was most directly involved.

Several state regulators had talked publicly about their intention to investigate Drexel

at state level and the firm appeared to face the prospect of several lengthy investigations, which could have had an adverse effect on its business.

According to the laws of several states, securities commissioners can revoke the licence of a company which had admitted felonies.

Most other states where Drexel is active are expected to favour settling, although New York and California, where the firm is most active, have said they were still reviewing their position.

# Asko and Ahold discuss pact

By Haig Simonian in Frankfurt

THE CHANCES of closer links between Asko, the big West German retailing group, and Ahold, the Dutch retailing concern, rose sharply yesterday following confirmation that the two companies were talking about possible co-operation.

However, neither side would say whether the discussions included the purchase of reciprocal equity stakes, as rumoured in the Dutch press last week.

Mr Helmut Wagner, Asko's chief executive, said his group

and Ahold were discussing the possibility of joint buying. Such an agreement would probably take place via Interbuy, the joint purchasing concern set up by Asko last year.

Mr Wagner has regularly mentioned the possibility of working more closely with other big European retailers in order to improve efficiency and bring down costs. Details of such arrangements have tended to be sketchy, and links have been restricted to joint

purchasing.

Mr Wagner has also suggested that the 20 per cent stake in Asko owned by Massa, with which Asko is closely associated, could one day form the basis for an equity relationship with other European concerns.

At its press conference last month the fast-expanding Asko group said it remained keen on further growth, although this was now likely to come mainly through minority stakes in other European retailers.

# Oxdon extends Steinberg bid

BIDDING for Steinberg, the Canadian grocery and property empire, will continue for at least another week, Robert Gibbens writes from Montreal.

Oxdon Investments of Toronto has extended its C\$1.35bn (US\$1.1bn) offer until August 22, the same day that its rival's bid is due to expire.

The Caisse de Depot, the Quebec pension plan manager, has bid C\$1.33bn for Steinberg, together with Socanav, a Montreal transport group.

Both are offering C\$75 a share for the group's voting shares while Oxdon's price for the non-voting stock is C\$53 a share and Caisse-Socanav C\$51.

# Connaught BioSciences ahead sharply

By David Owen in Toronto

CONNAUGHT BioSciences, which is proposing to merge its human-health businesses with those of France's Institut Merieux to create the world's largest vaccine producer, has reported sharply improved quarterly and half-year earnings.

Second-quarter income totalled C\$10.1m (US\$8.6m) or 46 cents a share, against C\$5.5m or 25 cents in the year-earlier period. Revenue advanced to C\$61.5m from C\$53.3m.

For the six months ended June 30, profit reached C\$17.1m or 78 cents a share on revenue of C\$118.1m, against C\$12.2m or 55 cents on revenue of C\$101.7m.

Year-ago figures include an extraordinary second-quarter charge of C\$3.5m.

Chevron Canada Resources, for 25 years a leading oil and gas prospector, is buying 17.5 per cent of the Amauligak oil field from Husky Oil for

C\$150m, Robert Gibbens writes from Montreal.

Amauligak, located in the shallow waters of the Beaufort Sea, is about 2,000 miles north of Calgary and has probable reserves of well over 500m barrels of oil and 2,000bn cu ft of gas. Chevron's San Francisco parent is a leading developer on the Alaskan side of the Beaufort Sea.

Oil industry experts believe Amauligak needs international oil prices of well over US\$20 a barrel to justify development. In addition, a similar field would be needed to justify an oil pipeline south via the Mackenzie River valley.

Last year Chevron Canada bought into Imperial Oil properties in the Mackenzie delta, where large reserves of gas and some oil were found in the 1970s.

Spar Aerospace, a leading Canadian high-tech group, is cutting its workforce by about 10 per cent and may close

plants because of higher-than-expected start-up costs on a new project and pressure to remain competitive internationally.

Spar specialises in satellite communications systems and defence work, and is best known for developing and making the robot arm for the US space shuttle.

The company, which employs about 2,000 in its Ontario and Quebec plants, has reported a C\$5.8m loss on sales of C\$117m for the first half, and said lay-offs over the next few months would lead to special charges of nearly C\$8m. These have already been provided for.

The quarterly dividend has again been reduced, from 6 cents a share to 3 cents.

In the first half of 1988, Spar earned C\$4.4m or 40 cents a share. The company expects its order position to improve in the next 12 months and to return to profit.

# ISS rises after purchase of US cleaning group

By Hilary Barnes in Copenhagen

ISS, THE Danish-based international office cleaning and building maintenance group, increased first-half sales by 44 per cent to DKr4.65bn (\$618m) and profits after depreciation by 59 per cent to DKr163.9m.

The growth in sales and earnings reflected primarily the group's acquisition last year of ADT, the American cleaning group, which added DKr1.25bn to first-half turnover. The acquisition also led to a jump in net financial costs, which were up from DKr2.5m to DKr4.7m, while a DKr233m goodwill write-off contributed to a reduction in group equity capital from DKr618m to DKr513m.

First-half earnings before extraordinary items were up from DKr83.3m to DKr109.2m, pre-tax profits advanced from DKr67.6m to DKr126.7m and net profits rose from DKr54.2m to DKr82.2m.

# Mack Trucks to cut production rates

MACK TRUCKS of the US plans to reduce production rates at its manufacturing and assembly facilities, Renter reports. Daily production rates for heavy-duty class 8 vehicles in the latest quarter are scheduled to be about 45 per cent lower than in the 1988 second period.

Demand for Mack's class 8 trucks has declined in each of the past four months.

# Hewlett-Packard warns on forecasts

THIRD-QUARTER operating results for Hewlett-Packard, the US computer and electronics manufacturer, will be below analysts' forecasts, AP-DJ reports.

The company, which reported flat second-quarter earnings, said net earnings were expected to range between 75 and 80 cents per


share, after a reduction of 10 to 15 cents per share following the acquisition of Apollo Computer in May.

This compares with 90 cents per share in the third quarter of 1988. Security analysts' estimates average about 90 cents per share after recognising the effects of the Apollo acquisition.

Hewlett-Packard said US and international orders for its products continued to show good year-to-year growth.

However, the company warned that revenues would fall below expectations because of continuing difficulties in adjusting shipments to match the changing mix of its business.

This announcement appears as a matter of record only June 1989



**NORWICH CORRUGATED BOARD LTD**

**£19,250,000**  
Senior Debt and Revolving Credit Facilities  
to Fund a Management Buy-Out

Arranged by  
**National Westminster Bank PLC**  
Acquisition Finance Unit

Funds Provided by  
National Westminster Bank PLC  
Banque Indosuez, London Branch  
The Tokai Bank, Limited  
Nippon Credit Bank Limited  
Union Bank of Switzerland, London Branch  
Westpac Banking Corporation

Equity and Mezzanine Finance Arranged by  
Phildrew Ventures

Agent  
National Westminster Bank PLC

**NatWest Syndications**

**Canadian Pacific Limited**

**C**anadian Pacific Limited had net income for the second quarter of 1989 of \$136.3 million, or 43 cents per Ordinary share, compared with \$230.4 million, or 76 cents per share, in the corresponding quarter of 1988. For the first six months of 1989, net income was \$270.4 million, or 85 cents per Ordinary share, compared with \$414.3 million, or \$1.37 per share, in the first half of 1988.

The company's performance this year has been affected mainly by continued weakness in railway traffic, particularly grain, and by lower net income from shipping, forest products and real estate activities. AMCA International Limited's results continued to improve and produced income in the first half of 1989 compared with a loss in 1988.

	2nd Quarter		First Six Months	
	1989	1988	1989	1988
Transportation and Waste Services	\$ 22.5	\$ 79.8	\$ 48.4	\$ 161.5
Energy	35.5	35.7	71.0	65.7
Forest Products	58.0	61.4	109.9	120.4
Real Estate and Hotels	11.6	43.0	26.3	64.0
Telecommunications and Manufacturing	8.6	(3.5)	13.9	(8.4)
Discontinued Businesses	-	14.0	-	21.1
<b>Net Income</b>	<b>\$ 136.3</b>	<b>\$ 230.4</b>	<b>\$ 270.4</b>	<b>\$ 414.3</b>
Average number of shares outstanding (millions)	317.1	303.4	317.0	303.2
<b>Earnings per Ordinary share</b>	<b>\$ 0.43</b>	<b>\$ 0.76</b>	<b>\$ 0.85</b>	<b>\$ 1.37</b>

Despite highly-competitive newsprint markets, a slowing economy and a strong Canadian dollar, Canadian Pacific continues to expect a good level of earnings this year. A successful grain crop this fall should boost railway traffic later this year, demand for pulp is expected to remain firm, and oil prices, while possibly volatile, should remain above the depressed levels of the latter part of last year. In the second half of 1989 significant land sales are anticipated along with gains on the sale of the bulk shipping operations, the sale of a 40 per cent interest in CNCP Telecommunications to Rogers Communications Inc., and the sale of AMCA's Giddings & Lewis unit.

For more information, please write to: Denis Keast, Director, Financial Services, Canadian Pacific Limited, 62-65 Trafalgar Square, London WC2N 5DY

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, August 14, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, £ STG, US \$, D-MARK, YEN (x 100), COUNTRY, £ STG, US \$, D-MARK, YEN (x 100). Lists various countries and their exchange rates.

Special Drawing Rights August 11 1989 United Kingdom £1.26301 United States \$1.26066 Germany West D Mark 2.43370 Japan Yen 176.492 European Currency Unit Rates August 14 1989

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Financial rate; (g) Financial rate; (h) Exports; (i) Non commercial rate; (j) Business rate; (k) Buying rate; (l) Luxury goods; (m) Market rate; (n) Official rate; (o) Preferential rate; (p) Official rate; (q) Official rate; (r) Official rate; (s) Official rate; (t) Official rate; (u) Official rate; (v) Official rate; (w) Official rate; (x) Official rate; (y) Official rate; (z) Official rate.

INTERNATIONAL CAPITAL MARKETS
Soviet bank expected to launch Austrian deal

By Andrew Freeman
THE FIRST foreign borrower is expected to tap the Austrian domestic bond market as part of the wider financial liberalisation programme announced by the Government earlier this year. The initiative is motivated by Austria's stated desire to join the European Community.

Baer sets up mergers and acquisitions business
Go-ahead for Uruguay yen bond

By John Wicks in Zurich
BAER HOLDING of Zurich has announced the formation of Julius Baer Atlantic in Zurich and New York to specialise in financial mergers and acquisitions (M&A) and other corporate financial services.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns: US DOLLAR, YEN STRAIGHTS, OTHER STRAIGHTS, DEUTSCHE MARK STRAIGHTS, FLLOATING RATE, CONVERTIBLE, SWISS FRANK STRAIGHTS. Lists various international bonds and their details.

TRADE INDEMNITY THE CREDIT RISK MANAGERS 01-739 4311 SPECIALIST EXPORT FINANCE

BANAMEX BANCO NACIONAL DE MEXICO NOTICE TO INVESTORS Banco Nacional de México S.N.C. advises that the shareholding of the Federal Government and its Semi-State Institutions is for sale, which represents 99.08% of the registered capital of:

Emess plc has acquired 89% of the shares of Eclatec SA, Nancy, France. This acquisition was initiated by: FLETCHER SCOTT LTD Edinburgh, London ADAMS & ROYER SA Paris, New York

Shawmut Corporation U.S.\$50,000,000 Floating Rate Subordinated Notes Due 1997

Wells Fargo & Company U.S. \$200,000,000 Floating Rate Subordinated Notes due 1998

BANK OF GREECE US \$250,000,000 Floating Rate Notes due 1997

Banca Nazionale del Lavoro (Incorporated as an Istituto di Credito di Diritto Pubblico in the Republic of Italy) London Branch

Bankers Trust International Capital N.V. (Incorporated in the Netherlands Antilles) U.S.\$200,000,000 Guaranteed Floating Rate Subordinated Notes Due 1996

INTERNATIONAL CAPITAL MARKETS

Weak conditions delay Morgan Stanley deal

By Andrew Freeman

THE SIMMERING debate over new-issue syndication and distribution came to the boil on the Euromarkets yesterday as news of the proposed syndication procedure for Morgan Stanley's dollar deal for New Zealand was absorbed.

INTERNATIONAL BONDS

expressing cautious approval for what they called an interesting experiment, and others arguing strongly that Morgan Stanley was forcing the pace of change too fast.

By the end of yesterday's session, the poor bond market conditions had precluded the deal's launch and it appeared that the issue would probably be delayed until at least next week.

Important US economic data later this week make it unlikely Morgan Stanley will bring the deal into what could be volatile trading conditions.

It is understood that Morgan called a meeting of several houses shortly after lunch on Friday and told the group that it would be leading an issue for New Zealand.

The houses were told that the deal would be in the form of a fixed-price re-offering, whereby all members of the underwriting group would take part in the pricing and would receive the same % point commission.

Among the houses thus informed and invited into the deal were Nomura, J.P. Morgan, UBS Phillips & Drew, Salomon Brothers, Merrill Lynch and Paribas Capital Markets.

Yesterday, Morgan Stanley was tight-lipped, refusing to comment about press speculation over the terms of the new issue and declining to elaborate on elements of the documentation which will accom-

NEW INTERNATIONAL BOND ISSUES

Table with columns: Amount, Coupon, Price, Maturity, Fees, Book runner. Includes entries for CANADIAN DOLLARS, AUSTRALIAN DOLLARS, and NEW ZEALAND DOLLARS.

\*Final terms. †Floating rate notes. ‡ Non-callable. § Initial coupon pays 100pp under Australian 6-month bank bill rate, then 100pp under 3-month bank bill rate. Put option at par on interest payment dates. ¶ Non-callable. Unlisted.

pany formal launch of the deal. This left its competitors guessing as to the final nature of the deal, but prompted strong comment that the leaking of the news had been damaging to separate private negotiations between leading houses on ways to reform the mechanisms of the underwriting system.

It is understood that these negotiations, which included Morgan Stanley, had reached an advanced stage. Officials at some of the invited houses were expressing reservations about the deal yesterday and said they had been surprised by Friday's meeting. It is understood the proceeds will not be swapped and that other houses were not bidding for the mandate.

While there is agreement in the Euro market that pricing of deals under the current system can lead to inappropriate levels, houses are divided as to what is the best way forward. An obvious comparison with the World Bank's global bond issue, expected to be launched simultaneously in the US and Europe in September, was made by many players, who felt that Morgan Stanley should have waited for that deal before testing the Euro-market on its own.

Canada to tighten trust and loan rules

By Robert Gibbins in Montreal

CANADA'S federal government will monitor all direct and indirect purchases of shares in federally-incorporated trusts and loan companies as of last Friday.

The move is linked with the Government's new trust and loan legislation, expected to be tabled this autumn, which will allow commercial groups and conglomerates to own a maximum of 66 per cent of such companies.

Another reason is the possible change of control of Canada Trust, one of the country's two largest trust companies. It is almost 100 per cent owned by Imasco, the tobacco products, fast food and retailing group.

In turn, is 40 per cent owned by BAT, which is the target of a takeover bid by financier Sir James Goldsmith. There has been speculation that Imasco might be sold either as part of BAT Industries' defence or if Sir James were to succeed in his bid.

London futures exchanges may soon sell in US

By Katharine Campbell

FUTURES AND options exchanges in London expect to secure shortly the lifting of a ban on selling British options products in the US.

Subject to certain ill-defined exemptions, the sale of all foreign options has been banned in America since 1978, but one or two overseas exchanges have already secured relief from the ban.

In May, the way was cleared for London exchanges to apply to the Commodity Futures Trading Commission for permission to sell their options products in the US, following the agreement between US and UK regulators on the so-called part 39 exemption lifting restrictions on British firms selling futures to American clients.

The London International Financial Futures Exchange, the International Petroleum Exchange and London Fox have submitted applications to the CFTC, which has taken the lead in the talks, hopes

for an answer imminently. Mr Mark Harding, partner at Clifford Chance in London, noted "these discussions have been much less contentious than the part 30 negotiations. The CFTC has shown great enthusiasm to get the matter sorted out."

A favourable outcome could aid the Chicago Mercantile Exchange, which is currently awaiting the go-ahead from the Department of Trade and Industry for its after-hours trading system Globex to be recognised as an investment exchange under the Financial Services Act. London exchange officials have expressed concern about certain anti-competitive aspects of US derivatives regulations.

Meanwhile, the London Traded Options Market is seeking permission from the Securities & Exchange Commission for UK brokers to solicit equity options business in the US, and the exchange hopes to obtain a non-action letter from the commission by the end of the year.

US Treasuries decline over Fed interest rates stance

By Janet Bush in New York and Katharine Campbell in London

US TREASURY bonds extended Friday's sharp decline yesterday, weakening modestly by mid-session amid uncertainty about the US Federal Reserve's thinking on interest rates.

At mid-session, the Treasury's new benchmark long bond sold in the last leg of the quarterly refunding last week was quoted 4 points below Friday's close for a yield of 8.14 per cent.

GOVERNMENT BONDS

Short-dated maturities were also around a point down, indicating a loss of confidence that the Fed will ease any further. The question of interest rates is firmly back at the top of the agenda since Friday, when an anonymous Fed official was quoted as saying that the Fed would not ease again

soon. The Federal Open Market Committee meets next Tuesday and Wednesday.

After Friday's encouraging producer prices decline in July, several market participants appeared to anticipate another imminent easing. However, those hopes were dashed when the Fed arranged a draining operation through four-day matched sales. Yesterday, the Fed did not operate, consistent with an unchanged Fed Funds target of around 9 per cent to 9 1/2 per cent.

Headlines were made again yesterday morning by surprisingly frank comments by Mr Richard Darman, the Administration's budget director, who warned the Federal Reserve that high interest rates and tight money risked tipping the economy into recession.

The bond market yesterday morning appeared to be trading on the side of a non-easing move, after the surprising 0.9 per cent

rise in retail sales in July reported on Friday and substantial upward revisions in previous months' sales figures.

There is a great deal of economic data to digest this week, as well as unusually large three- and six-month bill auctions.

GAINS POSTED BY UK gilt-edged securities, following a series of data further confirming the slowdown in domestic demand, were not sustained through the day. Slight currency weakness, combined with a further downward bias in the US Treasury bond market, caused prices to drift back in a quiet market towards the close, so that long gilt finished just 1/4 of a point firmer on the day.

Initial selling by Japanese investors overnight was countered by the lowest growth record since the CBi began publishing the monthly trade survey six years ago. Later in the morning, a 0.6 per

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week, Month. Includes entries for UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

London closing. \*denotes New York morning session. †denotes London closing. ‡denotes US, UK in 20nds, others in decimal. Prices: US, UK in 20nds, others in decimal.

Technical Data/ATLAS Price Sources

cent drop in July retail sales, volumes helped the market. However, sterling weakness in the afternoon, combined with losses in the US market, took the edge off the morning rally. BONDS IN the German mar-

Swissair in money-back bond option

By John Wick in Zurich

SWISSAIR IS to issue Switzerland's first warrant bonds equipped with a money-back option. Credit Suisse is underwriting the SF100m issue, which has a coupon of 3.25 per cent and matures in 10 years.

The bonds, which have a nominal value of SF75,000, will each be linked to eight separate "C" warrants and eight "D" warrants. Each of the "C" warrants entitles the holder to the purchase, at a unit price of SF180, of one Swissair dividend certificate with no par value between September 15, 1989, and September 15, 1994. Each of the "D" warrants has the same entitlement, but until March 15, 1994.

Quotron wins forex deal

By Alan Cane

QUOTRON International, a wholly owned subsidiary of Citicorp, has inflicted a surprise defeat on Reuters, the world's largest electronic publisher, by winning a contract to support the development and management of an innovative London-based foreign exchange dealing settlement service called Fxnet.

Established in 1987, Fxnet seeks to reduce the risks and costs involved in foreign exchange dealing by a process it calls "netting by novation". This means that through the working day, a computer keeps track of forex deals carried out by any pair of counterparties taking part in the scheme; at the end of the day, each settles its account with the other by a single, net payment.

The 12 partners in Fxnet include Bank of America, Chemical Bank, Chase Manhattan, Citibank and Lloyds.

Last year, the Fxnet board decided to allow any foreign exchange dealer, including investment banks, financial institutions and multinational corporations, to participate. The first non-bank, Merrill Lynch, expects to be participating by the end of the year.

Mr Peter Bartko, Fxnet chairman said: "Increasing interest in our product from major foreign exchange players in Switzerland, Germany and Japan led the Fxnet board to search for a market source supplier to provide the necessary global communications capability."

Quotron is a leading US quote vendor, but its skills in networking and foreign exchange dealing management had not been widely appreciated. It beat Geisico, the world's largest commercial computer network operator, as well as Reuters, for the contract.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index No., Day's Change, Day's High, Day's Low, Mon Aug 14, Fri Aug 11, Thu Aug 10, Wed Aug 9, Year ago (approx). Includes EQUITY GROUPS & SUB-SECTIONS and FIXED INTEREST.

RISES AND FALLS YESTERDAY

Table with columns: Rises, Falls, Same. Lists various market indices and their movements.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Latest, 1989, Stock, Closing Price, +/-

RIGHTS OFFERS

Table with columns: Issue, Amount, Latest, 1989, Stock, Closing Price, +/-

LONDON TRADED OPTIONS

Table with columns: Option, Calls, Puts, Strike, Expiry, etc. Lists various option contracts.

FIXED INTEREST

Table with columns: Issue, Amount, Latest, 1989, Stock, Closing Price, +/-

FIXED INTEREST

Table with columns: Issue, Amount, Latest, 1989, Stock, Closing Price, +/-

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Latest, 1989, Stock, Closing Price, +/-

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Latest, 1989, Stock, Closing Price, +/-

UK COMPANY NEWS

Savage shares drop 40p after profits warning

By Vanessa Houlder

SHARES IN Savage Group, the USM-quoted DIY and hardware group, yesterday fell 40p to 110p when the company issued a profits warning.

Analysts' forecasts of between £11m and £11.5m. Analysts' estimates were yesterday revised downwards to about £7m for the year to June 30 and about £5m for the current financial year.

Mr David Stephens, finance director, said that the exceptionally good weather which deterred people from shopping for DIY products, was the principal factor in the downturn.

Caparo to sell Armstrong stake

By John Ridding

CAPARO GROUP, the private holding company controlled by Mr Swraj Paul and his family trusts, is putting up for tender its 28.5 per cent stake in Armstrong Equipment, the industrial fastener and engineering company.

Caparo has built up its stake in stages since 1986 and only took it to its present level last June.

At the beginning of the year, Mr Paul's stake helped Armstrong fight off a bid from Wards Stores, the plastic sheeting and survival equipment group.

Gateway situation unresolved

By Nikki Tait

DESPITE some speculation, the proposed deal between Isoceles, the victor in the £2m-plus battle for control of the UK food retailer Gateway, and Newgateway, Isoceles' US-backed rival, failed to materialise yesterday.

Over the past week, there has been talk of a plan put forward by Isoceles, which would acquire Newgateway accepting the offer - comprising cash plus shares in Isoceles - and also being given some additional investment in the Isoceles equity so that its effective control in the food retail group is not diluted.

Any deal would require the approval of the Takeover Panel - given that Newgateway said in the closing stages of the bid that it intended to retain its stake in Gateway and had no intention of accepting the Isoceles bid, whatever the outcome.

Daejan Holdings PLC

The Chairman, Mr B S E Freshwater, reports:

- Record pre-tax profits of £32.5 million but profits in current year likely to be considerably lower.
- Group net assets £250 million based on current market values (before allowing for tax on realizations).
- US property interests now represent 9% of total portfolio.
- Group in strong financial position for future growth.

Table with 4 columns: Year ended 31st March, 1989, 1988, Net Profits after Tax, Earnings per Share, Dividends per Share.

Copies of the Report and Accounts are available from The Secretary, 162 Shaftesbury Avenue, London WC2H 8HR.

GRANVILLE SPONSORED SECURITIES

Table with 7 columns: High, Low, Company, Price, Change, Divs, Yield, P/E.

Granville & Co. Ltd., 77 Mansell Street, London E1 6AF. Telephone 01-488 1212.

Williams increases Yale stake to 5.85%

By Clay Harris

WILLIAMS HOLDINGS, the industrial holding company, has raised its stake in Yale & Valor, the security and home products group, to 5.85 per cent.

Williams paid 335p per share on Friday for a 2.3 per cent holding owned by Ingersoll Rand, the US industrial equipment maker.

Turnover is vanity, profit sanity

Philip Coggan weighs up the Lilley bid battle for Tilbury

THE CASUAL observer who looked at the track records of Lilley and Tilbury, the two construction companies locked in a bid battle, might assume that defeat for the predatory Lilley was certain.



Bob Rankin (left), chief executive of Lilley and Mike Bottjer, chief executive of Tilbury.

Tilbury has achieved earnings per share growth of 33 per cent per annum since 1984 whilst Lilley had to suffer the agonies of a £50m loss in 1988, caused by problems at its US subsidiary.

water industry. A merged Lilley and Tilbury would have around half of its turnover in construction and specialist services, areas which can take advantage of increased spending on the public services. Plans to expand that proportion to two thirds if he takes control.

winced by Lilley's arguments. It believes that it is already well placed to win infrastructure contracts, particularly those medium-sized deals where its specialist engineering skills can give it an edge.

Declining UK haulage margins hit TDG

By Clare Pearson

DWINDLING PROFIT margins from UK road haulage operations resulted in Transport Development Group announcing a fall from £20.2m to £19.2m in pre-tax profits for the six months to end-June.

reinforcement company, early in the period. Activities sold put in sales of £12m (£2.83m) and trading profits of £1.01m (£0.33m).

points, such as a halt to the long decline in profits from cold storage, the overall impression is of yet another set of disappointing results from Transport Development Group.

Magnetic divestment

Magnetic Materials Group, a USM-quoted magnetic components maker, has sold most of its permanent magnet business to Outokumpu, the Finnish mining, metals and engineering group for a provisional consideration of £2.7m cash.

Crown Comms aims to raise Chiltern stake via cash offer

By John Ridding

CROWN COMMUNICATIONS, the commercial radio and broadcasting group, is making a partial cash offer to shareholders of Radio Chiltern, a private radio company, in an attempt to raise its stake to 29.99 per cent.

£3m deficit at Noble and Lund

By John Ridding

NOBLE AND Lund, a manufacturer of office furniture and electric motors, has announced sharp losses for 1988 and the sale of two of its subsidiaries.

"Inadequate management." But he said there was no evidence to suggest the falsification of documents.

L&G gets greater access in Japan

By Patrick Cockburn

Legal & General, the UK life insurance company, has reached a cooperation agreement with Kyoei Mutual Fire and Marine Insurance Company of Tokyo giving it greater access to the Japanese market and to Japanese companies moving into Europe.

Boots lifts Ward White stake to 27%

By Philip Coggan

BOOTS kept on the pressure on fellow retailer Ward White in the £900m bid battle yesterday by buying more than 7 per cent of the target's shares, taking its total stake to more than 27 per cent.

The purchases take Boots close to the ceiling of 29.9 per cent, the maximum it will be allowed to buy in the course of the bid, due to close on August 22.

forced to abandon its hopes of constructing a rival leveraged buy-out deal to defeat the Boots bid. The news was seen as greatly enhancing Boots' chances of success in its 445p per share offer.

Sea Containers plans to pay cash dividend

By Andrew Hill

SEA CONTAINERS, the ferry and container company, is likely to pay some form of cash dividend to holders of its common shares, irrespective of its outcome of the \$824m (£518m) bid for the group.

SEA CONTAINERS, the ferry and container company, is likely to pay some form of cash dividend to holders of its common shares, irrespective of its outcome of the \$824m (£518m) bid for the group.

expressed an interest in buying Sealink's Isle of Wight operations.

Mr Michael Kingshott, Sally UK's managing director, said yesterday: "We are not hostile to [Mr Sherwood] and we have been in discussions since long before the Stena/Tiphook bid. Clearly we are examining all possibilities."

DIVIDENDS ANNOUNCED

Table with 5 columns: Company, Current payment, Date of payment, Dividend, Total for year.

BOARD MEETINGS

Table with 2 columns: Company, Date.

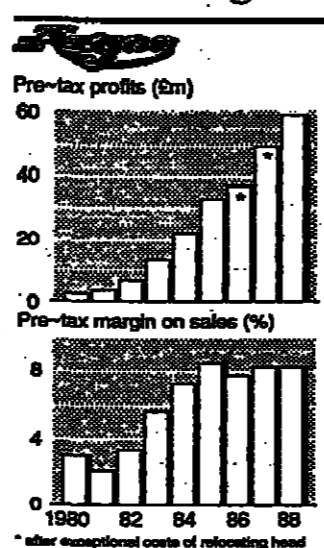
UK COMPANY NEWS - THE BID FOR BAT

Argos: singular success and unbundler's dream

BAT's attempts at diversification into retailing have been a catalogue of failure - with one exception

OF ALL BAT Industries' attempts at diversification, Sir James Goldsmith has been most scathing about the move into retailing...

With 62 shops by the end of 1988, BAT decided to quit retailing. Goldsmith has been most scathing about the move into retailing...



Pre-tax profits (£m) after exceptional costs of re-opening head office of 25.0m in 1985 and 21.1m in 1987. Source: Company accounts/Verdict research

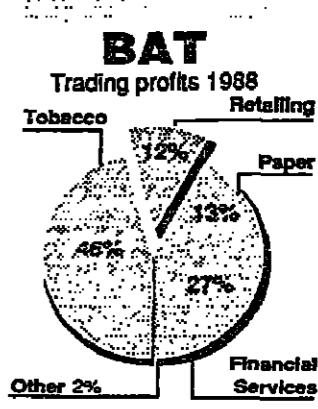


Argos - at £600m to £700m, any potential purchaser would be making the retail acquisition of the decade

announced a £200m expansion plan aimed at increasing the number of stores from the current 240 to 625 over the next 10 years.

Argos is a different business than it was when BAT took it over, with an emphasis in recent years of repositioning the chain to keep up with the rising aspirations of consumers.

BAT's performance in retailing is at the centre of Hoylake's most withering fire, and with the glittering exception of the Argos catalogue stores in the UK...



property agents, Argos has been able to exchange ideas with some of the other retailing arms on issues such as information technology.

insistent, for example, on the plan to improve the total presentation to customers.

Mr Richard Hyman, managing director of Verdict Research, a retail research group, will make the retail acquisition of the decade.

Whoever buys Argos, says Mr Richard Hyman, managing director of Verdict Research, a retail research group, will make the retail acquisition of the decade.

Catalogue retailing is a half-way house between home shopping and a conventional high-street operation.

Customers select goods from a catalogue, in the store they ask the staff for the items they want. The goods are brought from the stock-room while the customer is paying...

to the UK in 1973, having seen its success in the US. Since the takeover, Argos has expanded rapidly and profits have risen from £4.5m to £69.6m in 1988.

Some of America's best-known stores, and some of its most anonymous

A German asset not quite ripe for sale

HORTEN, West Germany's fourth largest retail group, has not exactly flourished under BAT Industries...

involving shops within shops. The other 13 shops, not in big towns, will be turned into mini-stores serving specialised local needs.

Table with 3 columns: Turnover (£m), Net profit (£m), and % of net profit. Rows for years 1984-1988.

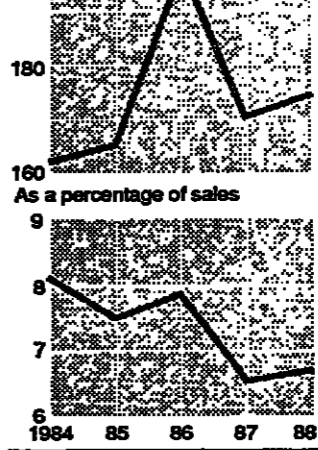
improved since the mid-1980s, but is still down on the level of nine years ago. Horten last year raised its dividend by 50 per cent to DM 6.

previous Horten site, cost DM 12m. No other Carsch-Haus stores are planned.

Who might buy Horten, if BAT is taken over against its will? Its German competitors would probably feel foul of tough German Cartel Office regulations.

"THE BATUS stores are neither fish nor fowl," says one US department store analyst. "If they were very good or exceptionally bad, we would have heard but we don't hear much about them."

Batus Retail



Operating income (\$m) As a percentage of sales

Chicago just as Batus completed a \$10m renovation of an important Marshall Field's store. "Sales have been running ahead of 10 per cent since then and we feel we have successfully blunted the impact of Bloomingdale's," he said.

per cent of the department store market here, which is very high," Mr Martinez added. The company has been pouring money into acquisitions and renovations.

Life business boost for Eagle Star

Eagle Star, BAT Industries' insurance subsidiary, said yesterday that its new life business expanded in the first half of the year, with strong growth in personal pensions and increased market share in mortgage-related business.

companies such as Prudential Corporation which have seen a drop in new annual premiums from mortgage-related business.

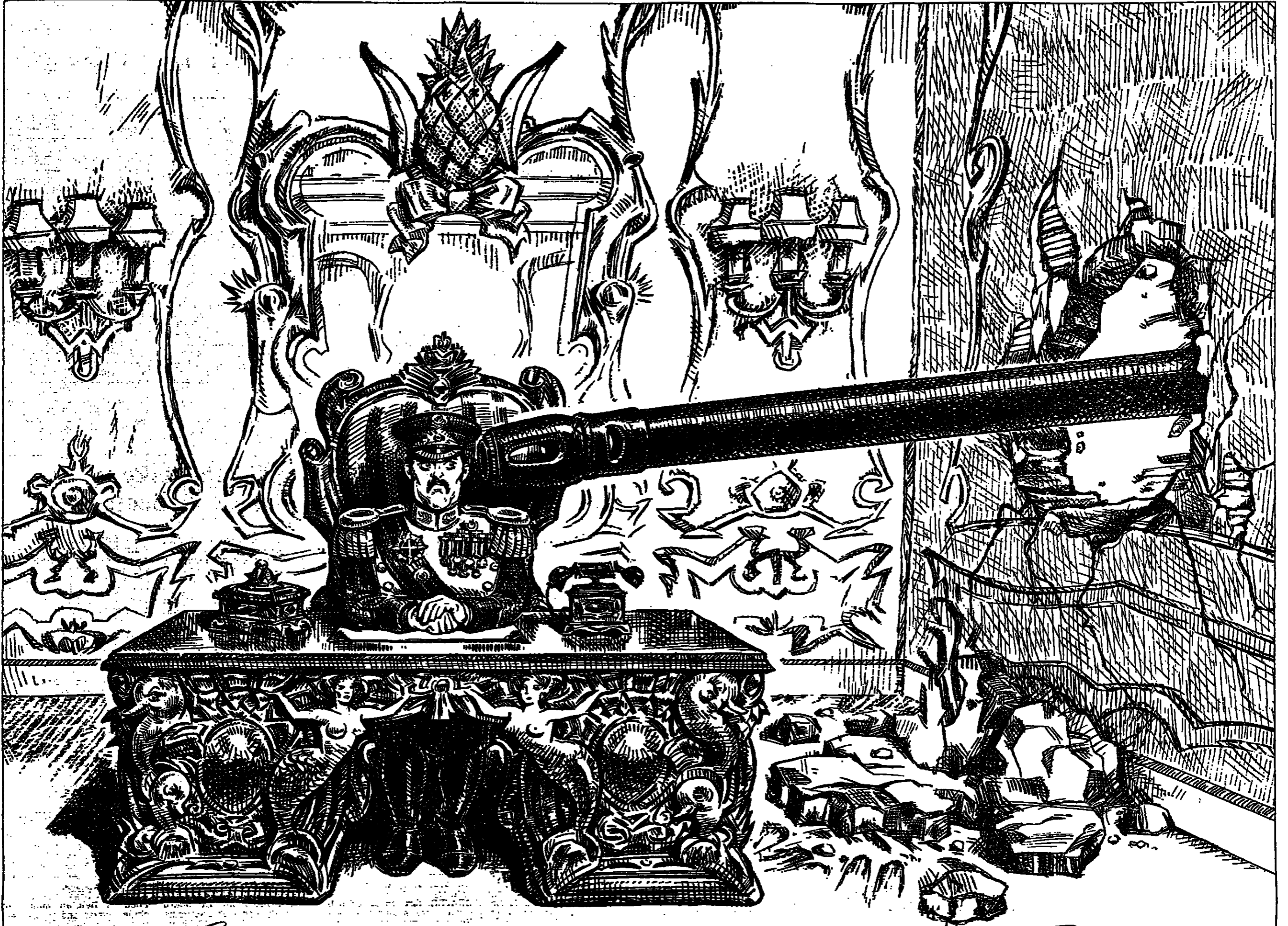
Tender Offer by Dillon, Read Limited on behalf of Caparo Group Limited for the sale of 15,582,329 ordinary shares in Armstrong Equipment PLC at a minimum price of 185 pence per share ("The Tender Offer")

Stena STENA (UK) LTD has acquired the whole of the issued share capital of HOULDER OFFSHORE LTD from FURNESS WITBY INVESTMENTS LTD. Provided by BARCLAYS BANK PLC

- 1. Tenders must be for all the Armstrong ordinary shares and each tender must be at the same price per share for all such shares... 2. The minimum tender price shall be 185 pence in cash for each Armstrong ordinary share...







*When a revolution comes, who's going to protect your overseas investments?*

An investment climate, as the term suggests, is rather like the weather - changeable, unpredictable and far beyond our control.

And although most political storms don't lead to revolution, the effects on your business can be no less catastrophic.

Don't panic.

ECGD has the necessary experience and understanding of volatile markets. We can tailor a policy to your exact requirements and protect you from war, expropriation and restriction on remittances.

We'll even go so far as to write a 15 year policy, the terms of which we cannot change once it has been issued.

So if you'd like to know more about how we can help you develop your export business, please call us on 01-382 7749.

Don't wait to hear the rattle and roar of approaching tanks - take cover now.

**ECGD**

COMMODITIES AND AGRICULTURE

Copper prices up sharply as recession fears ease

By Kenneth Gooding, Mining Correspondent

COPPER PRICES rose sharply on the London Metal Exchange yesterday. Traders said there was some nervousness about the possible repercussions of the national miners' strike in Peru but the main influences on the price were the clear signs that the US economy was in for a "soft landing" rather than recession.

LME Warehouse Stocks table with columns for metal, change, and price.

tonne (the price ruling on the free market in January) before any significant buying could be expected. After yesterday's drop of \$160 a tonne, the price of tin for immediate delivery was \$8,715.

However, given the low stocks, expected moderate improvements in consumption and the amount of production capacity still closed down, Mr Worthington expected fourth-quarter tin prices to test the three-year peak of \$11,000 a tonne reached for spot metal on the free market last April.

Pesky insects eat into US crop yields

By Chris Scanlan in Washington

LIKE BUZZSAWS through lumber, swarms of grasshopper are leaving the crops of three mid-western states in dust.

Accordingly, Western Minnesota and the Eastern Dakotas will not reap a prolific harvest as these "pesky" insects bite into yields already reduced by last year's drought.

Building a future on mineral sand

Kenneth Gooding reports on efforts by the industry to meet demand

A FLURRY of announcements about new mineral sands ventures has not only focused attention on these materials - the major ones being rutile, ilmenite and zircon - but also has inevitably raised questions about the possibility of a future glut.

In the past month, Remison Gold Fields Consolidated of Australia, the world's biggest mineral sands producer, said it would go ahead with its so-called Eneabba West project early in 1991 at a cost of \$511.5m.

Anglo American Corporation of South Africa said it was studying the feasibility of developing mineral sands deposits near the west Cape coast in Namaqualand. The feasibility study is due to be completed in mid-1990 and annual production targets from 1992 are 100,000 tonnes of zircon, 25,000 tonnes of rutile and 1,000 tonnes of monazite.

Canberra angry over Saudi rejection of sheep exports

By Chris Sherwell in Sydney

SAUDI ARABIA'S third rejection in two weeks of a live sheep cargo from Australia has prompted anger and concern in Canberra, not least because of the potential threat to a trade worth \$250m a year.

Menem cuts export duties for farmers

By Gary Mead in Buenos Aires

PRESIDENT Carlos Menem has announced that Argentine farmers are to enjoy lowered export duties, down from 30 per cent and above to between 15 and 25 per cent. Import duties for agricultural fertilisers are also to be cut, to between 5 and 10 per cent.

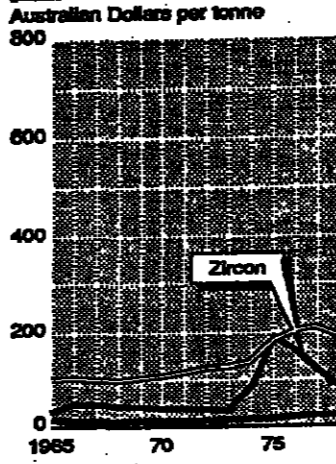
Bush agrees \$897m bad weather relief package

By Nancy Durne in Washington

PRESIDENT George Bush yesterday signed legislation providing \$897m in disaster relief for US farmers suffering their second year of bad weather.

Price trends

Australian Dollars per tonne



ries it is used in the bricks for steel furnaces and in extrusion dies. Monazite is also contained in very small quantities in mineral sands. It is the richest source of rare earth elements which are used in magnets, electronics and high technology ceramics.

Ultimate control of the world mineral sands industry is in the hands of a relatively few companies, primarily large diversified mining houses including the RTZ Corporation (since it acquired British Petroleum's mining and minerals assets) General Union Mining Corporation (Gencor) of South Africa and Consolidated Gold Fields, now owned by the Hanson group.

Production of all mineral sands has been running hard to keep up with demand in recent years. For example, according to the Mining Journal's annual review, worldwide production of zircon sand last year is estimated to have been about 860,000 tonnes, up 9 per cent from 1987. But, because of the jump in demand, especially from the steel industry, it has also been estimated that the market could have used another 50,000 tonnes if the material had been available.

The shortages have been apparent for some time and this started an industry-wide expansion. The most significant in Australia has already been the biggest producer of mineral sands.

Apart from Remison's previously-mentioned expansion, there is a joint-venture between Minproc and Kerr-McGee at Cooljarloo in Western Australia scheduled to begin in 1992, while CRA's WIM 150 deposit is due to stream in 1989. Present plans are for WIM 150 to produce 100,000 tonnes a year of rutile and more than 250,000 tonnes of ilmenite but there are proposals to double capacity and, if they are approved, CRA would overtake Remison to become the largest producer of mineral sands in the world.

While at first sight all this extra production might appear ominous for the industry's future prospects and its prices, most observers dismiss such suggestions out of hand. For example, in preparation for its Mozambique project, Remison Resources put together a detailed report on the worldwide mineral sands industry and its prospects. This concluded that there had been an annual shortfall of about 100,000 tonnes of zircon and that demand was likely to outpace supply until 1994.

It suggested that both rutile and ilmenite were both in short supply but a balance was likely to be reached in 1990. Ms Fiona Archer, an analyst with Ord Minnett's mining team who recently produced a report on the mineral sands business, is equally enthusiastic about its prospects.

"The world mineral sands markets have been happily bubbling along since 1985 with only minor disruptions to a constant upward trend in price," she says. "After a pause for breath in 1988, annual growth in prices surged to record levels and, although the rate of advance is expected to slow from 1989 onwards, prices are not likely to peak until at least 1991."

Ms Archer believes the anticipated growth in world economic growth will have a delayed impact on mineral sand markets. "Consumers are operating at capacity in a market where there is a significant supply deficit. Grades of some major existing deposits are falling and there is little prospect of any major new supplies of titanium minerals and zircon coming on until at least 1990-91. Only in 1992 should marginal supplies of all mineral sands begin to emerge."

The perception that mineral sand prices are highly cyclical is wrong, according to Ms Archer. Although during the deep world economic recession in 1980-83 prices for titanium minerals fell by between 7 per cent and 15 per cent the upward trend apparent since 1985 was still apparent. "Compared with the malaise of the base metals industry during this period, ilmenite and rutile suffered relatively little pain."

Ms Archer says confidently: "In 1990 and beyond we expect the upward trend in prices to continue - but at a slower rate."

As for zircon, according to Ms Archer, the current deficit of supply compared with demand (about 100,000 tonnes at the end of last year) suggests prices should be higher. "Our research indicates that they are being restrained to prevent substitution," she says.

Prices for individual minerals undoubtedly will be influenced by substitution, for example synthetic rutile replacing secondary ilmenite or chromite replacing zircon in foundries.

However, titanium dioxide is irreplaceable in pigment production and, in the case of zircon, much of the substitution by foundries has already taken place. Growth for zircon has come from the ceramics industry and this will continue to ensure that consumption of zircon material outpaces world economic growth for many years to come.

Ms Archer says: "Substitution of the majority of mineral sand products with other minerals is not a major threat."

World Commodities Prices

Table of World Commodities Prices including sections for LONDON METAL EXCHANGE, LONDON OIL EXCHANGE, LONDON BULLION MARKET, US MARKETS, and CHICAGO.

LONDON MARKETS

Table of COFFEE PRICES with columns for contract, close, previous, and high/low.

SPOT MARKETS

Table of CRUDE OIL prices for various grades and origins.

Other

Table of various commodity prices including tin, rubber, and sugar.

LONDON METAL EXCHANGE

Table of LONDON METAL EXCHANGE prices for various metals.

LONDON OIL EXCHANGE

Table of LONDON OIL EXCHANGE prices for various oil grades.

LONDON BULLION MARKET

Table of LONDON BULLION MARKET prices for gold and silver.

US MARKETS

Table of US MARKETS prices for various commodities.

CHICAGO

Table of CHICAGO market prices for various commodities.

NEW YORK

Table of NEW YORK market prices for various commodities.

WORLD COMMODITIES PRICES

Table of WORLD COMMODITIES PRICES for various international markets.

TEA

Table of TEA prices for various grades and origins.

COCAOA

Table of COCAOA prices for various grades and origins.

WHEAT

Table of WHEAT prices for various grades and origins.

Equity shakeout as retail sales fall

SOME OF last week's bounce was taken out of the London equity sector yesterday when confirmation of a heavy fall in domestic retail sales proved enough to trigger a significant downward correction across the broad range of the market.

Account Dealing Dates table with columns for dates and descriptions.

Market analysts generally took a bearish view of the shakeout. At Hoare Govett, Mr Robin Aspinall warned of a possibly 'significant correction, perhaps of around 150-200 Footsie points'.

Reynolds at Prudential-Bache commented that the market will now be very cautious of the announcement later this week of the latest domestic inflation and wage data.

The day started badly, with the Stock Exchange's electronic trading system delayed for one hour by technical problems and a number of blue chip stocks quoted lower because of ex-dividend adjustments.

At its final reading, the FT-SE index was 28.3 points down at 2,325.9, on moderate turnover of 434.9m shares through Seag, against nearly 600m on Friday.

FINANCIAL TIMES STOCK INDICES table with columns for various indices like Government Secs, Fixed Interest, Ordinary Share, Gold Mines, FT-SE 100 Share, Ord. Div. Yield, P/E Ratio, SE Activity, and S.E. ACTIVITY.

TRADING VOLUME IN MAJOR STOCKS table with columns for Stock, Volume, Price, and other metrics.

Hanson resist decline

Hanson was one of the few stocks to resist the market's sharp fall. Two factors helped the price higher than expected: third quarter profits, and the sale, by newly acquired Consolidated Gold Fields, of a 30 per cent shareholding in Gold Fields of South Africa.

was initially conducted at a sedate pace but the market's squandering of suddenly disturbed at lunch by the report of a sizeable agency cross in New York at a price which confused London traders.

Some while later the price and the size of the US deal was restored, and the news returned calm to the London market, provoking calls for an investigation into the circumstances responsible for the error.

denise that KKR was buying, but the knowledge that it was made BTR the best performer of the day among FTSE-100 stocks.

Wellcome was buoyed by continued talk that ICI might take an interest in the company. It ended a penny better at 524p.

in Vietnam has been delayed until next year. One of the likely beneficiaries from a carve-up of those North Sea assets, British Gas, was the best performer among sector majors.

Wellcome was buoyed by continued talk that ICI might take an interest in the company. It ended a penny better at 524p.

reducing the loss on the Footsie to 29 points until nerves tautened again ahead of Wall Street's opening.

At its final reading, the FT-SE index was 28.3 points down at 2,325.9, on moderate turnover of 434.9m shares through Seag, against nearly 600m on Friday.

Brewer speculation

Scottish & Newcastle again outperformed as the market continued to speculate over anything that the large stake held by Australian brewer Elders IXL.

Housebuilders also came under pressure with George Wimpey ending 8 off at 260p and Ward Holdings 15 down at 330p.

Contrasting views on waste disposal companies in the wake of the polychlorinated biphenyls (PCBs) controversy triggered renewed support of Bechem Environmental Services.

Among electronic stocks, Racal Electronics held fairly steady against the market trend, closing only a shade lower at 215p.

The UK market analysts continue to be bullish on the trading outlook for Racal as positive, 'principally as a result of Racal Telecom's rapid growth'.

Speculators continue to move into Asia in anticipation of an overseas bid for the group.

Friday's agency cross of 2.6m Yale and Valor shares turned out to have been the transfer of Inghill Rand's stake to Williams Holdings.

at a minimum price of 185p per share. One dealer mentioned JH Fenner, off 2 at 177p, as a possible buyer of the stake, but Armstrong's ending of 6 to 175p, was interpreted by one dealer as meaning the market thought a single buyer would not be found.

Friday's agency cross of 2.6m Yale and Valor shares turned out to have been the transfer of Inghill Rand's stake to Williams Holdings.

FT LAW REPORTS

Digest of cases reported in the Trinity Term

Re Cavalier Insurance Co Ltd (FT, June 21) Cavalier provided extended warranty insurance on existing and new policies marketed by Multi-Guarantee, receiving over £1m in premium income from Multi-Guarantee.

Lucas senior posts

Anthony Edwards has been appointed managing director of Lucas Industries Inc, its North American holding company.

APPOINTMENTS

Mr Barry Stewart and Mr Robin Young retire on the same date. Mr Tim Hall and Mr Michael Thomas will join the board of Martin Currie Investment Management.

NEW HIGHS AND LOWS FOR 1989

NEW HIGHS (P) AMERICAN (14) BRITISH FURNITURE (14) CHEMICALS (11) STORES (10) ELECTRICALS (10) INDUSTRIALS (10) METALS (10) SERVICES (10) TRANSPORT (10) UTILITIES (10) OTHERS (10) NEW LOWS (P) AMERICAN (14) BRITISH FURNITURE (14) CHEMICALS (11) STORES (10) ELECTRICALS (10) INDUSTRIALS (10) METALS (10) SERVICES (10) TRANSPORT (10) UTILITIES (10) OTHERS (10)

Mr Barry Stewart and Mr Robin Young retire on the same date.

Mr Barry Stewart and Mr Robin Young retire on the same date. Mr Tim Hall and Mr Michael Thomas will join the board of Martin Currie Investment Management.

Mr Michael Prager, director of marketing, Africa and Indian Ocean, has been elected a vice president of SHERATON CORPORATION, part of I.T.T.

Mr Michael Prager, director of marketing, Africa and Indian Ocean, has been elected a vice president of SHERATON CORPORATION, part of I.T.T.

Mr Peter Gubb has been appointed managing director of HIGHGROSS.

Mr Peter Gubb has been appointed managing director of HIGHGROSS.

Mr Colin Watson has been appointed marketing director of AERSON INTERNATIONAL.

Mr Colin Watson has been appointed marketing director of AERSON INTERNATIONAL.

Mr Jo Welman has been appointed managing director of Bee Brothers (Investment Management), and joined the board of REA BROTHERS.

Mr Jo Welman has been appointed managing director of Bee Brothers (Investment Management), and joined the board of REA BROTHERS.

Mr Peter B. Readings, chairman of the SENSPINERS GROUP companies, has retired and been appointed president of Santsch International.

Mr Peter B. Readings, chairman of the SENSPINERS GROUP companies, has retired and been appointed president of Santsch International.

Mr Gresham Financial Public Relations, a Shandwick subsidiary, has appointed Mr Tim Thompson as managing director, and Ms Anne Gilgling as a director.

Mr Gresham Financial Public Relations, a Shandwick subsidiary, has appointed Mr Tim Thompson as managing director, and Ms Anne Gilgling as a director.

Mr Jeremy Hutton has been appointed sales and marketing director, journals division, EPCO. He was with Norton Opax as managing director, McCoyQuade Confidential Print.

Mr Jeremy Hutton has been appointed sales and marketing director, journals division, EPCO. He was with Norton Opax as managing director, McCoyQuade Confidential Print.

From September 30 Mr David Skinner becomes executive chairman, and Mr Michael Kennedy and Mr Joe Scott Plummer are appointed joint managing directors of MARTIN CURRIE, Edinburgh.

From September 30 Mr David Skinner becomes executive chairman, and Mr Michael Kennedy and Mr Joe Scott Plummer are appointed joint managing directors of MARTIN CURRIE, Edinburgh.

The taxpayer, a UK resident, claimed relief from income tax on his share of the profits of a partnership whose business had always been carried on in Jersey.

The taxpayer, a UK resident, claimed relief from income tax on his share of the profits of a partnership whose business had always been carried on in Jersey.

In this case the reinsurer sought to obtain a declaratory judgment that the original insurance contract - proceedings over which had begun in Northern Ireland - was invalid.

In this case the reinsurer sought to obtain a declaratory judgment that the original insurance contract - proceedings over which had begun in Northern Ireland - was invalid.

The appellant stockbrokers sought an order to quash a notice of the Inland Revenue, given under section 20(3) of the Taxes Management Act 1970, to deliver account files for the purposes of an enquiry into the tax liability of a former employee.

The appellant stockbrokers sought an order to quash a notice of the Inland Revenue, given under section 20(3) of the Taxes Management Act 1970, to deliver account files for the purposes of an enquiry into the tax liability of a former employee.

The sellers of a cargo of sugar were held to have repudiated the contract of sale for the sugar when they failed to open a countertrade performance bond guarantee within the time specified in the contract.

The sellers of a cargo of sugar were held to have repudiated the contract of sale for the sugar when they failed to open a countertrade performance bond guarantee within the time specified in the contract.

Aviva Golden This digest of Trinity Term cases will continue tomorrow and on Friday.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table of authorised unit trusts, listing names like Abbey Unit Trust Mgrs, Abn Management Ltd, Acares Unit Trust Managers, and Aegis Unit Trust Mgrs.

Table of unit trusts, listing names like Eagle Star Unit Mgrs, Global Asset Management, and Lloyds Bank Unit Trust Mgrs.

Table of unit trusts, listing names like Midland Unit Trusts, Prudential Wellbros, and Royal London Unit Trusts.

Table of unit trusts, listing names like Smith & Williamson, Standard Life, and Sun Alliance.

Table of unit trusts, listing names like Sun Life, Sun Life of Canada, and Sun Life of London.

Table of unit trusts, listing names like Sun Life of London, Sun Life of Edinburgh, and Sun Life of Glasgow.

Table of unit trusts, listing names like Sun Life of London, Sun Life of Edinburgh, and Sun Life of Glasgow.

GUIDE TO UNIT TRUST PRICING: Details on how unit prices are calculated, including a formula and explanatory text.

Handwritten signature or note at the bottom of the page.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Handwritten note: "help, no L10"

Main table containing unit trust information with columns for Unit Name, Bid Price, Offer Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', 'GUERNSEY (SIS RECOGNISED)', 'LUXEMBOURG (SIS RECOGNISED)', and 'JERSEY (\*\*)'.

Handwritten signature or mark at the bottom center of the page.

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts and their performance metrics.

LONDON SHARE SERVICE

Table of London Share Service, including British Funds, Loans, Foreign Bonds & Rails, and Money Market Trust Funds.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as 3M, Alcoa, Amgen, and others with their share prices and financial data.

BUILDING, TIMBER, ROADS - Contd

Table listing companies in the building, timber, and roads sectors, including Balfour Beatty and others.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sector, including Debenhams and others.

ENGINEERING

Table listing engineering companies such as BAE Systems, British Aerospace, and others.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies including British Steel, British Petroleum, and others.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies including British Airways, British Telecom, and others.

CANADIANS

Table listing Canadian companies such as Alcan, Bell Canada, and others.

ELECTRICALS

Table listing electrical companies including British Nuclear Fuels and others.

FOOD, GROCERIES, ETC

Table listing food and grocery companies such as Borden's and others.

INSURANCES

Table listing insurance companies including British American Insurance and others.

HOTELS AND CATERERS

Table listing hotels and caterers including British Hotels and others.

INDUSTRIALS (Misc.)

Table listing various industrial companies including British Airways, British Telecom, and others.

BANKS, HP & LEASING

Table listing banks and hire purchase/leasing companies such as Abbey National and others.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies including British Chemicals and others.

DRAPERY AND STORES

Table listing drapery and stores companies including Debenhams and others.

INSURANCES

Table listing insurance companies including British American Insurance and others.

HOTELS AND CATERERS

Table listing hotels and caterers including British Hotels and others.

INDUSTRIALS (Misc.)

Table listing various industrial companies including British Airways, British Telecom, and others.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies including British Beers and others.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sectors, including Balfour Beatty and others.

INDUSTRIALS (Misc.)

Table listing various industrial companies including British Airways, British Telecom, and others.

INDUSTRIALS (Misc.)

Table listing various industrial companies including British Airways, British Telecom, and others.

INDUSTRIALS (Misc.)

Table listing various industrial companies including British Airways, British Telecom, and others.

INDUSTRIALS (Misc.)

Table listing various industrial companies including British Airways, British Telecom, and others.

Handwritten signature or mark at the bottom of the page.



LONDON SHARE SERVICE

Latest Share Prices are available on FT Cylifone. To obtain your free Share Code Booklet ring the FT Cylifone help desk on 01-925-2128

LEISURE

Table of share prices for Leisure companies including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PAPER, PRINTING, ADVERTISING - Contd

Table of share prices for Paper, Printing, Advertising companies including News International, News International, etc.

TEXTILES - Contd

Table of share prices for Textiles companies including Textiles, Textiles, Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, Land companies including Trusts, Finance, Land, etc.

OIL AND GAS - Contd

Table of share prices for Oil and Gas companies including Oil and Gas, Oil and Gas, etc.

MINES - Contd

Table of share prices for Mines companies including Mines, Mines, Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors, Aircraft Trades companies including Motors, Aircraft Trades, etc.

PROPERTY

Table of share prices for Property companies including Property, Property, Property, etc.

TOBACCO

TRANSPORT

Table of share prices for Tobacco and Transport companies including Tobacco, Transport, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land companies including Trusts, Finance, Land, etc.

OVERSEAS TRADERS

Table of share prices for Overseas Traders companies including Overseas Traders, etc.

PLANTATIONS

Table of share prices for Plantations companies including Plantations, etc.

COMMERCIAL VEHICLES

Table of share prices for Commercial Vehicles companies including Commercial Vehicles, etc.

SHOES AND LEATHER

Table of share prices for Shoes and Leather companies including Shoes and Leather, etc.

FINANCE, LAND, etc

Table of share prices for Finance, Land, etc companies including Finance, Land, etc, etc.

FINANCE, LAND, etc

Table of share prices for Finance, Land, etc companies including Finance, Land, etc, etc.

DIAMOND AND PLATINUM

Table of share prices for Diamond and Platinum companies including Diamond and Platinum, etc.

CENTRAL AFRICAN

Table of share prices for Central African companies including Central African, etc.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers, Publishers companies including Newspapers, Publishers, etc.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, Advertising companies including Paper, Printing, Advertising, etc.

SOUTH AFRICANS

Table of share prices for South Africans companies including South Africans, etc.

OIL AND GAS

Table of share prices for Oil and Gas companies including Oil and Gas, etc.

IRISH

Table of share prices for Irish companies including Irish, etc.

REGIONAL & IRISH STOCKS

Table of share prices for Regional & Irish Stocks companies including Regional & Irish Stocks, etc.

MISCELLANEOUS

Table of share prices for Miscellaneous companies including Miscellaneous, etc.

THIRD MARKET

Table of share prices for Third Market companies including Third Market, etc.

DIAMOND AND PLATINUM

Table of share prices for Diamond and Platinum companies including Diamond and Platinum, etc.

CENTRAL AFRICAN

Table of share prices for Central African companies including Central African, etc.

IRISH

Table of share prices for Irish companies including Irish, etc.

This service is available to every company dealt in on Stock Exchange through the British Company Handbook for a fee of £295 per annum for each company.



WORLD STOCK MARKETS

AUSTRIA

Table of Austrian stock market data including company names, prices, and changes.

FRANCE

Table of French stock market data including company names, prices, and changes.

GERMANY

Table of German stock market data including company names, prices, and changes.

ITALY

Table of Italian stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

SWEDEN

Table of Swedish stock market data including company names, prices, and changes.

SWITZERLAND

Table of Swiss stock market data including company names, prices, and changes.

CANADA

Table of Canadian stock market data including company names, prices, and changes.

TORONTO

Table of Toronto stock market data including company names, prices, and changes.

FINLAND

Table of Finnish stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

NETHERLANDS

Table of Dutch stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

JAPAN

Table of Japanese stock market data including company names, prices, and changes.

INDICES

Table of various stock indices including DOW JONES, NEW YORK, and CANADA.

NEW YORK ACTIVE STOCKS

Table of active stock prices in New York.

TOKYO - Most Active Stocks

Table of most active stock prices in Tokyo.

HONG KONG

Table of stock prices in Hong Kong.

SINGAPORE

Table of stock prices in Singapore.

ASIA

Table of stock prices in Asia.

FINANCIAL TIMES

Financial Times logo and contact information.

NOTES - Prices on this page are in US dollars unless otherwise stated.

Additional notes and disclaimers regarding the data.

3pm prices August 14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers for 12 Month High/Low, Stock Name, Dividend, Yield, and Price. Includes a small illustration of a figure in the bottom left corner.

Continued on Page 37

Just in case

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, High, Low, Close, and Change. Includes a section for '3pm prices August 14'.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices with columns for Stock, High, Low, Close, and Change. Includes a section for '3pm prices August 14'.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices August 14

Table of Over-the-Counter prices with columns for Stock, High, Low, Close, and Change. Includes a section for '3pm prices August 14'.

Travelling by air on business? Enjoy reading your complimentary copy of the Financial Times when you are travelling on scheduled flights from... GENEVA with Air Canada, American Airlines, Crossair, British Airways, Flynair, Lufthansa, El Al, Swissair, TWA. FINANCIAL TIMES

AMERICA

Dow makes small gain in subdued trading

Wall Street

AFTER last week's extreme volatility, the equity market yesterday traded in a narrow range throughout the morning session, writes Janet Bush in New York.

At midsession, as were key indices on the American Stock Exchange and the Nasdaq over-the-counter market.

There is a lot to think about this week, including much fresh economic data. Tomorrow, there are expectations of rises in July housing starts and in industrial production.

man, the Administration's budget director, warned the Fed that its cautious approach to easing interest rates would be blamed if the economy were tipped into recession.

consumer non-cyclical, fared less well, falling 3% to \$160. Sea Containers added \$1 to \$63 in anticipation of a recapitalisation plan to be announced imminently which would include asset sales and a cash dividend of up to \$50 a share.

EUROPE

Overseas retreat triggers cautious profit-taking

A SPATE of solid gains last week and nervousness over Wall Street's about turn on Friday induced a mood of caution in Europe yesterday, writes Our Markets Staff. Paris and Brussels were closed.

Table with 5 columns: Source, July '88, June '89, May '89, April '89, March '89. Rows include Belgium, France, Germany, Italy, Netherlands, Spain, Switzerland.

Jefferson Smurfit helps Ireland steal show

Table with 5 columns: Country, 1 Week, 4 Weeks, 1 Year, Start of 1989, % change in starting 1. Rows include Austria, Belgium, Denmark, Finland, France, West Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, UK, EUROPE, Australia, Hong Kong, Japan, Malaysia, New Zealand, Singapore, Canada, USA, Mexico, South Africa, WORLD INDEX.

By Alison Maitland WHILE most eyes last week were fixed on whether the Dow Jones Industrial Average would make it to a new all-time high, some of the world's smaller markets were producing dramatic performances of their own.

Chief among these was Ireland, which jumped 6.2 per cent thanks largely to the innovative corporate plans announced by Jefferson Smurfit, the country's biggest industrial group, but also to continuing strong fundamentals.

while concern about the impact of tax changes on corporate earnings next year has kept investors cautious. Elsewhere, the mood was fairly buoyant, with particularly strong gains in Singapore, Malaysia and New Zealand.

ASIA PACIFIC

Nikkei falls amid small-lot dealing

Tokyo A WEAKER yen and lower bond prices kept many investors away from the Tokyo market yesterday, and share prices closed down for the third session in a row in very thin trading, writes Yuriko Mita in Tokyo.

pick up in the obson season because of the thin volume, which makes it easier for small-scale buying to move the market. In eight of the last 10 years, the Nikkei average has risen at this time.

third most active, eased Y6 to Y87. In spite of the general lack of interest in domestic demand stocks, Tokyo Steel, second most active with a volume of 15.03m shares, rose for the fourth successive trading day.

Harlin Holdings, was unchanged at A\$2.99. HONG KONG was propelled higher by the banking sector, on expectations that the Hang Seng and Hongkong Banks would post satisfactory interim results this month.

SOUTH AFRICA GENERALLY dull trading left prices in Johannesburg easier, as the current strength of orders in the sector and added DM2.50 to DM129.

Table with 10 columns: NATIONAL AND REGIONAL MARKETS, US Dollar Index, Day's Change %, Pound Sterling Index, Local Currency Index, Day's change % local currency, Gross Div. Yield, US Dollar Index, Pound Sterling Index, Local Currency Index, 1989 High, 1989 Low, Year ago (approx).

Advertisement for ROSEHAUGH PLC and SHIMIZU CORPORATION. Includes text: 'This announcement appears as a matter of record only.', 'ROSEHAUGH PLC', 'SHIMIZU CORPORATION', 'ROSEHAUGH SC LIMITED', 'Shareholders introduced by The Dai-Ichi Kangyo Bank, Limited.', '£36,600,000', 'Medium Term Loan Facility for the development of an office building', 'CASLON 21-24 Chiswell Street London EC1', 'Jointly arranged and underwritten by The Dai-Ichi Kangyo Bank, Limited and Barclays Bank PLC', 'The Dai-Ichi Kangyo Bank, Limited and Barclays Bank PLC', 'The Dai-Ichi Kangyo Bank, Limited', 'The Mitsubishi Bank, Limited', 'The Taiyo Kobe Bank, Limited', 'Barclays Bank PLC', 'Bayerische Vereinsbank AG, London Branch', 'The Chuo Trust and Banking Company, Limited', 'Agent Barclays Bank PLC', 'DKB', 'July 1989', 'BARCLAYS MEMBER OF INTERO'.